

(Series 7, No. 9, Revised.)

UNITED STATES INTERNAL REVENUE.

REVISED REGULATIONS

CONCERNING


OLEOMARGARINE

UNDER

INTERNAL-REVENUE LAWS.

JANUARY, 1900.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1900.



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OLEOMARGARINE LAWS.

AN ACT defining butter, also imposing a tax upon and regulating the manufacture, sale, importation, and exportation of oleomargarine.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of this act the word "butter" shall be understood to mean the food product usually known as butter, and which is made exclusively from milk or cream, or both, with or without common salt, and with or without additional coloring matter.

SEC. 2. That for the purposes of this act certain manufactured substances, certain extracts, and certain mixtures and compounds, including such mixtures and compounds with butter, shall be known and designated as "oleomargarine," namely: All substances heretofore known as oleomargarine, oleo, oleomargarine-oil, butterine, lardine, suine, and neutral; all mixtures and compounds of oleomargarine, oleo, oleomargarine-oil, butterine, lardine, suine, and neutral; all lard extracts and tallow extracts; and all mixtures and compounds of tallow, beef-fat, suet, lard, lard-oil, vegetable-oil, annatto, and other coloring matter, intestinal fat, and offal fat made in imitation or semblance of butter, or when so made, calculated or intended to be sold as butter or for butter.

SEC. 3. That special taxes are imposed as follows:

Manufacturers of oleomargarine shall pay six hundred dollars. Every person who manufactures oleomargarine for sale shall be deemed a manufacturer of oleomargarine.

Wholesale dealers in oleomargarine shall pay four hundred and eighty dollars. Every person who sells or offers for sale oleomargarine in the original manufacturer's packages shall be deemed a wholesale dealer in oleomargarine. But any manufacturer of oleomargarine who has given the required bond and paid the required special tax, and who sells only oleomargarine of his own production, at the place of manufacture, in the original packages to which the tax-paid stamps are affixed, shall not be required to pay the special tax of a wholesale dealer in oleomargarine on account of such sales.

Retail dealers in oleomargarine shall pay forty-eight dollars. Every person who sells oleomargarine in less quantities than ten pounds at one time shall be regarded as a retail dealer in oleomargarine. And sections thirty-two hundred and thirty-two, thirty-two hundred and thirty-three, thirty-two hundred and thirty-four, thirty-two hundred and thirty-five, thirty-two hundred and thirty-six, thirty-two hundred and thirty-seven, thirty-two hundred and thirty-eight, thirty-two hundred and thirty-nine, thirty-two hundred and forty, thirty-two hundred and forty-one, and thirty-two hundred and forty-three of the Revised Statutes of the United States are, so far as applicable, made to extend to and include and apply to the special taxes imposed by

this section, and to the persons upon whom they are imposed: ¹*Provided*, That in case any manufacturer of oleomargarine commences business subsequent to the thirtieth day of June in any year, the special tax shall be reckoned from the first day of July in that year, and shall be five hundred dollars.

SEC. 4. That every person who carries on the business of a manufacturer of oleomargarine without having paid the special tax therefor, as required by law, shall, besides being liable to the payment of the tax, be fined not less than one thousand and not more than five thousand dollars; and every person who carries on the business of a wholesale dealer in oleomargarine without having paid the special tax therefor, as required by law, shall, besides being liable to the payment of the tax, be fined not less than five hundred nor more than two thousand dollars; and every person who carries on the business of a retail dealer in oleomargarine without having paid the special tax therefor, as required by law, shall, besides being liable to the payment of the tax, be fined not less than fifty nor more than five hundred dollars for each and every offense.

SEC. 5. That every manufacturer of oleomargarine shall file with the collector of internal revenue of the district in which his manufactory is located such notices, inventories, and bonds, shall keep such books and render such returns of material and products, shall put up such signs and affix such number to his factory, and conduct his business under such surveillance of officers and agents as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may, by regulation, require. But the bond required of such manufacturer shall be with sureties satisfactory to the collector of internal revenue, and in a penal sum of not less than five thousand dollars; and the sum of said bond may be increased from time to time and additional sureties required at the discretion of the collector or under instructions of the Commissioner of Internal Revenue.

SEC. 6. That all oleomargarine shall be packed by the manufacturer thereof in firkins, tubs, or other wooden packages not before used for that purpose, each containing not less than ten pounds, and marked, stamped, and branded as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe; and all sales made by manufacturers of oleomargarine and wholesale dealers in oleomargarine shall be in original stamped packages. Retail dealers in oleomargarine must sell only from original stamped packages, in quantities not exceeding ten pounds, and shall pack the oleomargarine sold by them in suitable wooden or paper packages which shall be marked and branded as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe. Every person who knowingly sells or offers for sale, or delivers or offers to deliver, any oleomargarine in any other form than in new wooden or paper packages as above described, or who packs in any package any oleomargarine in any manner contrary to law, or who falsely brands any package or affixes a stamp on any package denoting a less amount of tax than that required by law, shall be fined for each offense not more than one thousand dollars and be imprisoned not more than two years.

SEC. 7. That every manufacturer of oleomargarine shall securely affix, by pasting, on each package containing oleomargarine manufactured by him, a label on which shall be printed, besides the number of

¹ Repealed; see section 53, act of October 1, 1890.

the manufactory and the district and State in which it is situated, these words: "Notice—The manufacturer of the oleomargarine herein contained has complied with all the requirements of law. Every person is cautioned not to use either this package again or the stamp thereon again, nor to remove the contents of this package without destroying said stamp, under the penalty provided by law in such cases." Every manufacturer of oleomargarine who neglects to affix such label to any package containing oleomargarine made by him, or sold or offered for sale by or for him, and every person who removes any such label so affixed from any such package, shall be fined fifty dollars for each package in respect to which such offense is committed.

SEC. 8. That upon oleomargarine which shall be manufactured and sold, or removed for consumption or use, there shall be assessed and collected a tax of two cents per pound, to be paid by the manufacturer thereof; and any fractional part of a pound in a package shall be taxed as a pound. The tax levied by this section shall be represented by coupon stamps; and the provisions of existing laws governing the engraving, issue, sale, accountability, effacement, and destruction of stamps relating to tobacco and snuff, as far as applicable, are hereby made to apply to stamps provided for by this section.

SEC. 9. That whenever any manufacturer of oleomargarine sells, or removes for sale or consumption, any oleomargarine upon which the tax is required to be paid by stamps, without the use of the proper stamps, it shall be the duty of the Commissioner of Internal Revenue, within a period of not more than two years after such sale or removal, upon satisfactory proof, to estimate the amount of tax which has been omitted to be paid, and to make an assessment therefor and certify the same to the collector. The tax so assessed shall be in addition to the penalties imposed by law for such sale or removal.

SEC. 10. That all oleomargarine imported from foreign countries shall, in addition to any import duty imposed on the same, pay an internal-revenue tax of fifteen cents per pound, such tax to be represented by coupon stamps as in the case of oleomargarine manufactured in the United States. The stamps shall be affixed and canceled by the owner or importer of the oleomargarine while it is in the custody of the proper custom-house officers; and the oleomargarine shall not pass out of the custody of said officers until the stamps have been so affixed and canceled, but shall be put up in wooden packages, each containing not less than ten pounds, as prescribed in this act for oleomargarine manufactured in the United States, before the stamps are affixed; and the owner or importer of such oleomargarine shall be liable to all the penal provisions of this act prescribed for manufacturers of oleomargarine manufactured in the United States. Whenever it is necessary to take any oleomargarine so imported to any place other than the public stores of the United States for the purpose of affixing and canceling such stamps, the collector of customs of the port where such oleomargarine is entered shall designate a bonded warehouse to which it shall be taken, under the control of such customs officer as such collector may direct; and every officer of customs who permits any such oleomargarine to pass out of his custody or control without compliance by the owner or importer thereof with the provisions of this section relating thereto shall be guilty of a misdemeanor, and shall be fined not less than one thousand dollars nor more than five thousand dollars, and imprisoned not less than six months nor more than three years. Every person who sells or offers for sale any imported oleomargarine, or oleomargarine purporting or

claimed to have been imported, not put up in packages and stamped as provided by this act, shall be fined not less than five hundred dollars nor more than five thousand dollars, and be imprisoned not less than six months nor more than two years.

SEC. 11. That every person who knowingly purchases or receives for sale any oleomargarine which has not been branded or stamped according to law shall be liable to a penalty of fifty dollars for each such offense.

SEC. 12. That every person who knowingly purchases or receives for sale any oleomargarine from any manufacturer who has not paid the special tax shall be liable for each offense to a penalty of one hundred dollars, and to a forfeiture of all articles so purchased or received, or of the full value thereof.

SEC. 13. That whenever any stamped package containing oleomargarine is emptied, it shall be the duty of the person in whose hands the same is, to destroy utterly the stamps thereon; and any person who willfully neglects or refuses so to do shall for each such offense be fined not exceeding fifty dollars, and imprisoned not less than ten days nor more than six months. And any person who fraudulently gives away or accepts from another, or who sells, buys, or uses for packing oleomargarine, any such stamped package, shall for each such offense be fined not exceeding one hundred dollars, and be imprisoned not more than one year. Any revenue officer may destroy any emptied oleomargarine package upon which the tax-paid stamp is found.

SEC. 14. That there shall be in the office of the Commissioner of Internal Revenue an analytical chemist and a microscopist, who shall each be appointed by the Secretary of the Treasury, and shall each receive a salary of two thousand five hundred dollars per annum; and the Commissioner of Internal Revenue may, whenever in his judgment the necessities of the service so require, employ chemists and microscopists, to be paid such compensation as he may deem proper, not exceeding in the aggregate any appropriation made for that purpose. And such Commissioner is authorized to decide what substances, extracts, mixtures, or compounds which may be submitted for his inspection in contested cases are to be taxed under this act; and his decision in matters of taxation under this act shall be final. The Commissioner may also decide whether any substance made in imitation or semblance of butter, and intended for human consumption, contains ingredients deleterious to the public health; but in case of doubt or contest his decisions in this class of cases may be appealed from to a board hereby constituted for the purpose, and composed of the Surgeon-General of the Army, the Surgeon-General of the Navy, and the Commissioner¹ of Agriculture; and the decisions of this board shall be final in the premises.

SEC. 15. That all packages of oleomargarine subject to tax under this act that shall be found without stamps or marks as herein provided, and all oleomargarine intended for human consumption which contains ingredients adjudged, as hereinbefore provided, to be deleterious to the public health, shall be forfeited to the United States. Any person who shall willfully remove or deface the stamps, marks, or brands on package containing oleomargarine taxed as provided herein shall be guilty of a misdemeanor, and shall be punished by a fine of not less than one hundred dollars nor more than two thousand

¹ Now Secretary.

dollars, and by imprisonment for not less than thirty days nor more than six months.

SEC. 16. That oleomargarine may be removed from the place of manufacture for export to a foreign country without payment of tax or affixing stamps thereto, under such regulations and the filing of such bonds and other security as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe. Every person who shall export oleomargarine shall brand upon every tub, firkin, or other package containing such article the word "oleomargarine," in plain Roman letters not less than one-half inch square.

SEC. 17. That whenever any person engaged in carrying on the business of manufacturing oleomargarine defrauds, or attempts to defraud, the United States of the tax on the oleomargarine produced by him, or any part thereof, he shall forfeit the factory and manufacturing apparatus used by him, and all oleomargarine and all raw material for the production of oleomargarine found in the factory and on the factory premises, and shall be fined not less than five hundred dollars nor more than five thousand dollars, and be imprisoned not less than six months nor more than three years.

SEC. 18. That if any manufacturer of oleomargarine, any dealer therein or any importer or exporter thereof shall knowingly or willfully omit, neglect, or refuse to do, or cause to be done, any of the things required by law in the carrying on or conducting of his business, or shall do anything by this act prohibited, if there be no specific penalty or punishment imposed by any other section of this act for the neglecting, omitting, or refusing to do, or for the doing or causing to be done, the thing required or prohibited, he shall pay a penalty of one thousand dollars; and if the person so offending be the manufacturer of or a wholesale dealer in oleomargarine, all the oleomargarine owned by him, or in which he has any interest as owner, shall be forfeited to the United States.

SEC. 19. That all fines, penalties, and forfeitures imposed by this act may be recovered in any court of competent jurisdiction.

SEC. 20. That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may make all needful regulations for the carrying into effect of this act.

SEC. 21. That this act shall go into effect on the ninetieth day after its passage; and all wooden packages containing ten or more pounds of oleomargarine found on the premises of any dealer on or after the ninetieth day succeeding the date of the passage of this act shall be deemed to be taxable under section eight of this act, and shall be taxed, and shall have affixed thereto the stamps, marks, and brands required by this act or by regulations made pursuant to this act; and for the purposes of securing the affixing of the stamps, marks, and brands required by this act, the oleomargarine shall be regarded as having been manufactured and sold, or removed from the manufactory for consumption or use, on or after the day this act takes effect; and such stock on hand at the time of the taking effect of this act may be stamped, marked, and branded under special regulations of the Commissioner of Internal Revenue, approved by the Secretary of the Treasury; and the Commissioner of Internal Revenue may authorize the holder of such packages to mark and brand the same and to affix thereto the proper tax-paid stamps.

Approved, August 2, 1886.

AN ACT to reduce the revenue and equalize duties on imports, and for other purposes.

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SEC. 41. That wholesale dealers in oleomargarine shall keep such books and render such returns in relation thereto as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may, by regulation, require, and such books shall be open at all times to the inspection of any internal-revenue officer or agent.

* * * * *

SEC. 53. That all special taxes shall become due on the first day of July, eighteen hundred and ninety-one, and on the first day of July in each year thereafter, or on commencing any trade or business on which such tax is imposed. In the former case the tax shall be reckoned for one year; and in the latter case it shall be reckoned proportionately, from the first day of the month in which the liability to a special tax commenced to the first day of July following. Special tax stamps may be issued for the months of May and June, eighteen hundred and ninety-one, upon payment of the amount of tax reckoned proportionately under the laws now in force, and such stamps which have been or may be issued for the period ending April thirtieth, eighteen hundred and ninety-one, may, upon payment of one-sixth of the amount required to be paid for such stamps for one year, be extended until July first, eighteen hundred and ninety-one, under such regulations as may be prescribed by the Commissioner of Internal Revenue. And it shall be the duty of special tax payers to render their returns to the deputy collector at such times within the calendar month in which the special tax liability commenced as shall enable him to receive such returns, duly signed and verified, not later than the last day of the month, except in cases of sickness or absence, as provided for in section three thousand one hundred and seventy-six of the Revised Statutes.

Approved, October 1, 1890.

REVISED REGULATIONS

UNDER

AN ACT ENTITLED "AN ACT DEFINING BUTTER, ALSO IMPOSING A TAX UPON AND REGULATING THE MANUFACTURE, SALE, IMPORTATION, AND EXPORTATION OF OLEOMARGARINE," APPROVED AUGUST 2, 1886, AND "AN ACT TO REDUCE THE REVENUE AND EQUALIZE DUTIES ON IMPORTS, AND FOR OTHER PURPOSES," APPROVED OCTOBER 1, 1890.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, January 2, 1900.

Section 20 of the act of August 2, 1886, above referred to, provides—

"That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may make all needful regulations for the carrying into effect of this act."

In pursuance thereof the following regulations have been made by the Commissioner of Internal Revenue, with approval of the Secretary of the Treasury, and are hereby promulgated:

OLEOMARGARINE DEFINED.

Butter is defined in section 1 of the act, and oleomargarine, which is the special subject of these regulations, in section 2 thereof, as follows:

"That for the purpose of this act the word 'butter' shall be understood to mean the food product usually known as butter, and which is made exclusively from milk or cream, or both, with or without common salt, and with or without additional coloring matter.

"SEC. 2. That for the purposes of this act certain manufactured substances, certain extracts, and certain mixtures and compounds, including such mixtures and compounds with butter, shall be known and designated as 'oleomargarine,' namely: All substances heretofore known as oleomargarine, oleo, oleomargarine-oil, butterine, lardine, suine, and neutral; all mixtures and compounds of oleomargarine, oleo, oleomargarine-oil, butterine, lardine, suine, and neutral; all lard extracts and tallow extracts; and all mixtures and compounds of tallow, beef-fat, suet, lard, lard-oil, vegetable-oil, annatto, and other coloring matter, intestinal fat, and offal fat made in imitation or semblance of butter, or when so made, calculated or intended to be sold as butter or for butter."

The Attorney-General of the United States rendered an opinion, under date of October 18, 1886, to the effect that the last clause of section 2 of the act of August 2, 1886, should be construed as qualifying all the preceding portion of said section.

He says: "In my opinion, the qualification extends to the whole section, and is an essential element of the statutory definition of oleomargarine."

In deference to the above opinion, said section is construed as though it read as follows:

"That for the purposes of this act certain manufactured substances, certain extracts, and certain mixtures and compounds, including such mixtures and compounds with butter, shall be known and designated as 'oleomargarine' whenever made in imitation or semblance of butter, or, when so made, calculated or intended to be sold as butter or for butter, namely: All substances heretofore known as oleomargarine, oleo, oleomargarine oil, butterine, lardine, suine, and neutral; all mixtures and compounds of oleomargarine, oleo, oleomargarine oil, butterine, lardine, suine, and neutral; all lard extracts and tallow extracts, and all mixtures and compounds of tallow, beef fat, suet, lard, lard oil, vegetable oil, annatto, and other coloring matter, intestinal fat, and offal fat."

The mixture of butter with coloring matter does not, under this law, render it liable to tax as oleomargarine, such mixture being permitted under the definition given in the first section. If, however, the annatto or other coloring matter is mixed with a vegetable oil or an animal fat other than butter fat as a mordant, resulting in a compound resembling butter, this compound would be liable to tax as oleomargarine when manufactured and sold or removed.

It has been urged that the quantity so added would be minute, and that a portion at least would also be lost in the buttermilk, etc. A number of samples known to have been colored with a butter color, in which oil was used as a mordant, have been examined in this office without resulting in the discovery of any foreign fat or oil.

Under the circumstances, collectors are advised, before levying the oleomargarine tax upon butter so colored, to submit a sample for the inspection of this office, provided the coloring matter in the suspected butter is the only ground for the belief that it is oleomargarine.

To ascertain what substances were known before the passage of this act as oleomargarine, oleo, oleomargarine oil, butterine, lardine, suine, and neutral, reference may be had to dictionaries and standard works defining and describing these substances. In Webster's Dictionary oleomargarine is defined to be artificial butter made from animal fat, with the addition of some milk and other substances; and butterine is therein defined to be a substitute for butter, made from animal fat, called also oleomargarine.

A very full description of the manufacture of oleomargarine from beef fat is given in Appleton's Annual Cyclopædia for 1882.

Descriptions of oleomargarine, oleo, oleomargarine oil, butterine,

and neutral were given to the Committee on Agriculture and Forestry of the United States Senate shortly before the passage of the act. Some of these descriptions are given on pages 11 and 12 of these regulations. Hereafter, from time to time, as occasion may arise in the practical enforcement of the law, collectors will be instructed as to the views of this office in regard to substances taxable as oleomargarine.

It appears from the testimony of Prof. Henry Morton, of the Stevens Institute of Technology, Hoboken, N. J., that all animal fats, including butter, are mainly composed of three kinds of fatty substances, viz, a substance (stearin) which is solid at ordinary temperatures, a substance (palmatin) which has the usual consistency of butter at ordinary temperatures, and a third substance (olein) which is a liquid at ordinary temperatures. It also appears that the invention which has rendered the business of manufacturing the oleomargarine of commerce possible is that process by which all the animal fiber and nearly all the excess of stearin is removed from the beef fat, so that the proportion of stearin, palmatin, and olein is nearly the same as in butter.

It further appears in evidence before the above-named committee that the oleomargarine oil is principally obtained from the caul fat of beeves very soon after the animals are killed, and that the manufacturing plant needed to produce the article economically would cost not less than \$5,000 or \$6,000, or with the slaughterhouse attached, not less than \$10,000. Establishments of such magnitude are easily discovered and are likely to be found adjoining or near slaughterhouses and in connection with pork-packing establishments. Lard is used to considerable extent, especially in winter. The oleomargarine made from beef fat being too brittle in winter, owing principally to the excess of stearin not being all removed, lard is added to overcome this defect.

The following definitions of oleo oil, oleomargarine, butterine, and neutral are from statements made to the Senate Committee on Agriculture and Forestry, June 16, 1886, by a member of a firm most extensively engaged in the manufacture of these substances:

“The method of producing oleo oil is as follows: The selected fat is taken from the cattle in the process of slaughtering, and after thorough washing is placed in a bath of clean cold water and surrounded with ice, where it is allowed to remain until all animal heat has been removed. It is then cut into small pieces by machinery, and melted at an average temperature of 150° until the fat in liquid form has separated from the fibrin or tissue, and then settled until it is perfectly clear. Then it is drawn into graining vats and allowed to stand a day, when it is ready for the process. The pressing extracts the stearin, leaving the remaining product, known as oleo oil. It is this article which, when churned with cream or milk, or both, and with sometimes a small proportion of creamery butter, the whole being properly salted, gives the new food product, oleomargarine. Each animal yields an average of about 40 pounds of oleo oil.

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“The difference between oleomargarine and butterine is this: In making butterine we use neutral lard, which is made from selected leaf lard prepared and rendered in a very similar manner to oleo oil, excepting that no stearin is extracted. This neutral lard, which is a beautifully white and odorless product, is cured in salt brine for forty-eight to seventy hours at an ice-water temperature. It is then taken, and, with the desired proportions of oleo oil and the finest creamery butter, is churned with cream and milk, producing an article which, when properly salted and packed, is ready for market. We use the same coloring that is used by all butter makers, and which has already been fully described. The butterine is generally made of two qualities, differing only in the proportions of the ingredients used. In cold weather a little salad oil, made from selected cotton seed, is used in both products for the improvement of their texture. We get an average of about 8 pounds of raw leaf lard per hog, which render net about 5 to 6 pounds of neutral. This neutral is worth from 2 to 3 cents per pound over ordinary steam-rendered lard.

* * * * *

“Oleomargarine is mainly made of oleo oil exclusively, but sometimes 5 per cent of the finest butter is added, which is churned with the cream and milk to improve the flavor.

“Creamery butterine is usually composed of 25 per cent creamery butter, 40 per cent neutral, 20 per cent oleo oil, and the balance milk, cream, and salt.

“Dairy butterine differs from creamery only in the proportions. It is a cheaper product, and its proportion of butter about 10 per cent, neutral 45 per cent, and oleo oil 25 per cent, the balance being made up of cream, milk, and salt.”

He also testifies as follows as to lard, etc.:

“The fat from the hog is a very small percentage. This leaf lard is the choicest fat from the hog, and only weighs about 8 pounds in the rough. We get about 5 pounds of neutral from a hog, when we ordinarily get about 40 pounds of lard.

* * * * *

“We use only the selected parts from each animal, the caul fat from the steer and the leaf lard from the hog.”

MANUFACTURERS.

SPECIAL TAXES.

Section 3 of the act of August 2, 1886, provides as follows:

“Manufacturers of oleomargarine shall pay six hundred dollars. Every person who manufactures oleomargarine for sale shall be deemed a manufacturer of oleomargarine.

* * * “And sections thirty-two hundred and thirty-two, thirty-two hundred and thirty-three, thirty-two hundred and thirty-four, thirty-two hundred and thirty-five, thirty-two hundred and thirty-six, thirty-two hundred and thirty-seven, thirty-two hundred and thirty-eight, thirty-two hundred and thirty-nine, thirty-two hundred and forty, thirty-two hundred and forty-one, and thirty-two hundred and forty-three of the Revised Statutes of the United States are, so far as applicable, made to extend to and include and apply to the special taxes imposed by this section, and to the persons upon whom they are imposed: *Provided*, That in case any manufacturer of oleomargarine commences business subsequent to the thirtieth day of June in any year, the special tax shall be reckoned from the first day of July in that year, and shall be five hundred dollars.”

The above proviso was repealed by section 53 of the act of October 1, 1890, which reads as follows:

“SEC. 53. That all special taxes shall become due on the first day of July, eighteen hundred and ninety-one, and on the first day of July in each year thereafter, or on commencing any trade or business on which such tax is imposed. In the former case the tax shall be reckoned for one year; and in the latter case it shall be reckoned proportionately, from the first day in the month in which the liability to a special tax commenced to the first day of July following. * * * And it shall be the duty of special tax payers to render their returns to the deputy collector at such times within the calendar month in which the special tax liability commenced as shall enable him to receive such returns, duly signed and verified, not later than the last day of the month, except in cases of sickness or absence, as provided for in section three thousand one hundred and seventy-six of the Revised Statutes.”

Under the provisions of the above section the special-tax year commences July 1. The special tax of manufacturers who commence business on the 1st day of July will be reckoned for one year, and the tax of manufacturers who commence business after the 1st of July will be reckoned proportionately from the 1st day of the month in which the liability to special tax commenced to the 1st day of July following.

Every manufacturer of oleomargarine, before commencing business (or at least within the month in which liability to the special tax commenced), must register with the collector of the district in which the

business is to be carried on, his name, or style, place of residence, business, and the place where such business is to be carried on, and procure a special-tax stamp, which latter he is to place and keep conspicuously posted in his establishment or place of business; and on the 1st day of July in each year he will again so register and procure a new special-tax stamp and post it as above stated. (Secs. 3233 and 3239, Rev. Stat.)

Whenever any person engages in or carries on business for which a special tax is required by law, refuses or neglects to render the return therefor required by law, the Commissioner of Internal Revenue is required to assess the tax due and to add 50 per cent to such tax. In case of a false or fraudulent return he is required to add 100 per cent to the tax due. The amount so added will be collected in the same manner as the tax. (Sec. 3176, Rev. Stat.)

Section 4 of the act of August 2, 1886, imposes fines upon those who do business rendering them liable to special tax as manufacturers under the law without paying the special tax, as follows:

“That every person who carries on the business of a manufacturer of oleomargarine without having paid the special tax therefor, as required by law, shall, besides being liable to the payment of the tax, be fined not less than one thousand and not more than five thousand dollars.”

The question having arisen as to whether manufacturers of oleomargarine may store tax-paid packages of that product in warehouses away from the factory, and deliver them from such warehouses after completion of the sale thereof at the factory without paying additional special tax as wholesale dealers by reason of deliveries from such warehouses, it has been held that such procedure is permissible under the law. (Sec. 3235, Rev. Stat.) But in every instance it must be clear that the sale has been completed at the factory by constructive delivery there prior to the actual delivery at the place of storage.

Receipt of an order at the factory and the sending of such order from the factory to the storehouse for delivery is not a sale of the package at the factory. In order to complete the sale at the factory, the manufacturer must not merely receive the order at the factory, but he must make out and there deliver to the customer ordering, or send to him direct from the factory, a bill of sale, in each instance, transferring to him the ownership of the package before there is any actual delivery of the package at the place of storage. (Letter, May 6, 1895, to Collector Mize.)

NOTICES, BONDS, AND INVENTORIES, ALSO FACTORY NUMBERS AND SIGNS.

Section 5 provides—

“That every manufacturer of oleomargarine shall file with the collector of internal revenue of the district in which his manufactory is

located such notices, inventories, and bonds, shall keep such books and render such returns of material and products, shall put up such signs and affix such number to his factory, and conduct his business under such surveillance of officers and agents as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may, by regulation, require. But the bond required of such manufacturer shall be with sureties satisfactory to the collector of internal revenue, and in a penal sum of not less than five thousand dollars; and the sum of said bond may be increased from time to time, and additional sureties required at the discretion of the collector, or under instructions of the Commissioner of Internal Revenue."

Under the above provision of law every manufacturer of oleomargarine will, before commencing business, and on the 1st day of July of each year before continuing business, file with the collector of the district in which his factory is located a notice on Form 213, and a bond, in an amount to be fixed by the collector, of not less than \$5,000, with two or more sureties satisfactory to him, on Form 214; also an inventory on Form 215.

The form of notice is as follows:

FORM 213—REVISED.

UNITED STATES INTERNAL REVENUE.

Notice by Manufacturer of Oleomargarine.

Notice is hereby given that _____, 1900.
_____ of the _____ of _____,
county of _____ and State of _____, intend, under the name or style
of _____, to carry on or engage in the business of manufactur-
er— of oleomargarine, on and after the _____ day of _____, 190—,
in the building owned by _____, situate No. _____ street, in
the _____ of _____, county of _____ and State of _____, and that the
following machinery and appliances will be used in the manufacture
of oleomargarine: _____

General description and size of the lot or tract of land on which the
oleomargarine factory is located: _____

General description of all buildings on the factory premises:

Purpose for which used.	Size.	Material of which constructed.

Total capacity in pounds for producing oleomargarine each day of
24 hours, _____.

(Signed) _____.

To _____,

Collector, _____ district, _____.

Received this _____ day of _____, A. D. 190—.

_____, Collector,

Date of bond last given, _____, 190—.

Penal sum of same, \$_____.

INSTRUCTIONS.

This notice must be given in *duplicate* to the collector of the district by each person or firm before engaging in the business of manufacturing oleomargarine, and on the 1st day of July thereafter by those continuing in the business.

One copy of the notice will be filed in the collector's office and the other forwarded to the Commissioner of Internal Revenue.

The signature to the notice, when given by an individual, must in all cases be made by the manufacturer in person, or in his name by his authorized agent or attorney. If signed by agent or attorney, authority to so sign must be attached.

In case of a firm the signature must be made in the firm name by a member of the firm, or by some person duly authorized as above.

In case of a corporation the signature must be made, in the name and under the seal of the corporation, by the proper officer thereof.

Collectors will note in the space herein provided the date and penal sum of the last bond of the person, firm, or corporation giving this notice, if one has been theretofore given.

In case of any change in the location, form, capacity, ownership, agency, superintendency, or in the persons interested in the business of such manufactory, notice thereof, in writing, stating the particulars of such change, must be given to the collector of the district within twenty-four hours of such change.

The form of the manufacturer's bond is as follows:

FORM 214—REVISED.

UNITED STATES INTERNAL REVENUE.

Oleomargarine manufacturer's bond.

[This bond must be executed by every manufacturer before commencing business, and should be accompanied by affidavits of sureties on Form 33.]

This bond expires on the last day of June; hence if it is proposed to continue business from that date, a new bond must be given on this form.

The original of this bond must be filed in the collector's office and a copy sent to the Commissioner of Internal Revenue by the collector.]

Know all men by these presents, that we, ————, as principal— and ———— and ———— as sureties, are held and firmly bound unto the United States of America in the sum of ———— dollars, lawful money of the United States; for the payment of which, well and truly to be made, we, jointly and severally, bind ourselves, our heirs, executors, and administrators by these presents.

Witness our hands and seals at ————, this ———— day of ————, 190—.

The condition of this obligation is such, that whereas the said ———— purpose— to carry on or engage in the manufacture of oleomargarine at ————, in the county of ———— and State of ————, upon the premises described in the annexed notice on Internal Revenue Form No. 213, dated the ———— day of ————, 190—: Now, therefore, if the said ———— shall comply with all the requirements of law and regulations in regard to the manufacture, removal, and sale of oleomargarine, and shall not engage in any attempt, by —sel— or by collusion with others, to defraud the Government of any tax on —h— manufactures, and shall render truly and correctly all the returns

and inventories prescribed to the collector of the district, and shall, in accordance with law, stamp, mark, brand, and affix caution notices to all oleomargarine manufactured by —h— before —he— sell— the same, or any part thereof, and before —he— remove— any part thereof from the place of manufacture for consumption or use, and shall not knowingly sell or expose for sale any oleomargarine not marked, stamped, and branded as required by law, then this obligation is to be void; otherwise to be in full force and virtue.

_____. [L. S.]
 _____. [L. S.]
 _____. [L. S.]

Sealed and delivered in the presence of—

_____.
 _____.

State of _____, } ss:
 _____,

I hereby certify that on this — day of —, one thousand nine hundred and —, before me personally came —, known to me to be the individuals described in and who executed the within bond, and severally acknowledged they executed the same.

_____.

- The following instructions must be particularly complied with, viz:
1. The Christian names must be written in the body of the bond in full, and so signed to the bond, and the execution of the bond must be duly acknowledged by each of the signers before an officer authorized to take the acknowledgment of deeds.
 2. Bonds of corporations must be signed with the corporate name, with the corporate seal attached, and with the name and title of the officer authorized to affix the corporate signature and seal.
 3. The residence of each signer must be stated in the bond.
 4. A seal of wax or wafer must be attached to each signature.
 5. Each signature must be made in the presence of two witnesses, who must sign their names as such.
 6. There must be at least two sureties, unless a corporation, duly authorized in writing by the Attorney-General of the United States, is offered as a sole surety; and the bond must be dated.
 7. The sufficiency of the sureties must be shown by affidavits made on Form 33.
 8. A new bond must be required in case of the death, insolvency, or removal of either of the sureties, and may be required in any other contingency, at the discretion of the collector or Commissioner of Internal Revenue.
 9. Bonds of corporations must be accompanied by certified copies of the articles of incorporation, unless such copies have been previously filed in the office of the Commissioner of Internal Revenue.

The form of affidavit of sureties, which should accompany the above bond, is as follows:

FORM 33—REVISED.

UNITED STATES INTERNAL REVENUE.

[This form of qualification is to be used in connection with the execution of all bonds taken by collectors when they are not personally cognizant of the sufficiency of the sureties, except in case of surety companies, when Form 400 will be used.]

Form of Affidavit for Surety on Bond.

State of _____
County of _____
of _____ } ss:

Personally appeared _____, who, being duly sworn, says that he is one of the sureties mentioned in the annexed bond of ¹ _____; that he is by occupation a _____, for _____ months last past doing business at _____, in _____, and residing at _____, in _____; that he is now worth the sum of ¹ _____ dollars (\$ _____₁₀₀), over and above all debts and liabilities which he owes or has incurred, exclusive of property exempt from execution and under the homestead laws of the State; that he owns personal property worth [†] _____ dollars (\$ _____₁₀₀), consisting of (1) _____, and real estate worth ² _____ dollars (\$ _____₁₀₀), described as follows: (2) _____; that the same has the following incumbrances thereon, and none other, to wit: (3) _____; that his title to the same is a fee simple, and that he became possessed of said real property by (4) _____ from _____, on the _____ day of _____, 190—. That he is not responsible to the United States as surety on any other bond except (5) _____.
(Sign) _____.

Sworn to and subscribed before me (6) this _____ day of _____, A. D. 190—; and I hereby certify that I believe the above-named _____ is the identical person who subscribed the annexed bond as one of the sureties therein.

¹ State here the name of the principal and the *character* of the bond.

² State the amount in words as well as figures.

(1) Here describe the property by name, so that it can be identified—as “Fifteen shares of stock of the Fourth National Bank, of New York City.”

(2) Here describe the property by giving the number of the lot and square, if in a city, and by metes and bounds, if in the country, that it may be identified.

(3) The character of the incumbrance or incumbrances, if any, should be set forth, and if the real estate is free from incumbrance, that fact should be stated.

(4) Purchase, inheritance, or devise.

(5) Here state what other bonds to the United States deponent has already signed as security, giving name and principal, date, amount, and character of bond. If none, erase the word “except.”

(6) Where the affidavit is not taken before a collector or deputy collector of internal revenue it must be made before an officer authorized to administer oaths generally. If such officer is not a judge of a United States court, his authority to administer oaths must be certified by the clerk of a court of record having official knowledge of that fact.

NOTE.—In case the bond is forwarded to the Commissioner of Internal Revenue, it should be accompanied by an affidavit of each surety on this form.

As previously stated, every manufacturer before commencing business, and on the 1st day of July before continuing business, must file with the collector of the district in which the factory is located an inventory on Form 215. It is likewise required that every manufacturer on discontinuing business, and every manufacturer in business June 30, must file with the collector a closing inventory. The closing inventory may also be made out on Form 215, which is as follows:

FORM 215—REVISED.

UNITED STATES INTERNAL REVENUE.

Oleomargarine Manufacturer's Inventory.

[To be delivered to the collector of internal revenue in duplicate before commencing business, and on the 1st day of July of each year before continuing business; also on concluding business and by those in business on the 30th day of June. Actual and not estimated weights must in all cases be given. The collector will retain the *original* inventory prepared on this form, and forward the *duplicate* to the Commissioner of Internal Revenue.]

Inventory of the quantity of all materials that enter into the manufacture of oleomargarine, including all materials used in process of manufacture, and all finished products held or owned by _____, of _____, county of _____, State of _____, whose factory is numbered _____, and is located at _____, on the _____ day of _____, 190—.

Description of material.	Pounds of material.	Manufactured oleomargarine.				Value of un- attached stamps on hand.	
		Unstamped.		Stamped.			
		Number of pack- ages.	Num- ber of pounds	Num- ber of pack- ages.	Number of pounds.	Dollars.	Cents.

(Signed) _____.

I, _____, do swear that the above is, to the best of my knowledge and belief, a complete and correct account of all the materials that enter into the manufacture of oleomargarine, including all materials in process of manufacture, all finished products, and all other materials held or owned by _____, on the _____ day of _____, 190—, and that I have taken all the means in my power to make this account complete and correct in each and every particular.

(Signed) _____.

Subscribed and sworn before me this _____ day of _____, 190—.

I, _____, do swear that I have made personal examination of the stock of _____, and that, to the best of my knowledge and belief, the above is a correct inventory of said stock.

_____,
Deputy Collector.

Subscribed and sworn before me this _____ day of _____, A. D. 190—.

_____,
Collector.

Collectors will give to each manufacturer in their respective districts a factory number, the numbers to be consecutive, and not thereafter changed.

The factory number applies to the manufacturer and his establishment rather than to the building, so that if the manufacturer removes to new premises he will retain his factory number and transfer it to such new premises.

A person who has ceased business as a manufacturer of oleomargarine may resume operations under his old factory number.

In case a new manufacturer commences business upon premises formerly occupied as an oleomargarine factory, the collector will give to such manufacturer and premises a new factory number.

Every manufacturer of oleomargarine shall place and keep on the side or end of the building wherein his business is carried on, so that it can be distinctly seen, a sign with letters thereon not less than three inches in length, painted in oil colors or gilded, giving his full name and business and the number of his manufactory.

MANUFACTURERS' PACKAGES, AND MARKS, BRANDS, STAMPS, AND LABELS TO BE AFFIXED THERETO.

Sections 6, 7, and 8 of the act provide as follows:

SEC. 6. That all oleomargarine shall be packed by the manufacturer thereof in firkins, tubs, or other wooden packages not before used for that purpose, each containing not less than ten pounds, and marked, stamped, and branded as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe; and all sales made by manufacturers of oleomargarine and wholesale dealers in oleomargarine shall be in original stamped packages. Retail dealers in oleomargarine must sell only from original stamped packages, in quantities not exceeding ten pounds, and shall pack the oleomargarine sold by them in suitable wooden or paper packages, which shall be marked and branded as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe. Every person who knowingly sells or offers for sale, or delivers or offers to deliver, any oleomargarine in any other form than in new wooden or paper packages as above described, or who packs in any package any oleomargarine in any manner contrary to law, or who falsely brands any package or affixes a stamp on any package

denoting a less amount of tax than that required by law, shall be fined for each offense not more than one thousand dollars, and be imprisoned not more than two years.

Under the provisions of section 6, above quoted, all oleomargarine shall be packed by the manufacturer thereof in firkins, tubs, or other wooden packages not before used for that purpose.

The same section requires that no package shall contain less than 10 pounds.

Manufacturers are not permitted to put up oleomargarine in wooden, tin, pressed fiber, or other vessels, as subdivision packages for domestic use. It is only in the case of oleomargarine packed for export that such subdivision packages are permitted.

The law does not fix the maximum size of manufacturers' packages.

Every package of oleomargarine must, before removal from the manufactory, be branded or stenciled as follows:

Oleomargarine.

Factory No. ¹—, ²— Dist. ³—.
⁴—, —, —.

For example:

Oleomargarine.

Factory No. 1, First Dist. of Illinois.

63—13—50.

The letters and figures in the above brand must be of the following dimensions: The letters in the word "oleomargarine" must be not less than three-quarters of an inch in length, and all the other letters and figures not less than one-half an inch in length.

All letters and figures affixed must be legible, and must be of such width and of such color as the collector of internal revenue may designate.

The above brand must be on the top only of each package.

The use by oleomargarine manufacturers, or dealers, of any private trade-mark, label, brand, picture illustration, or other advertising or descriptive device upon any print, roll, or other mold or design of oleomargarine offered for sale, consumption, or use, or upon any wooden or paper package or wrapper of any print, roll, or other mold or design of oleomargarine which conceals, or tends to conceal, the fact that the product is oleomargarine, is hereby prohibited.

¹ Here give the number of the manufactory.

² Here state the number of the district.

³ Here give the name of the State.

⁴ Here give the gross weight, tare, and taxable weight.

Under this regulation it will be seen that the use of any trade-mark, label, brand, picture illustration, or advertising or descriptive device representing a cow, or dairy farm, or in any other form indicating the oleomargarine to be a product of the dairy, or calculated to induce the belief that it is such dairy product, is inadmissible.

The use of the word "butterine" is also hereby prohibited, since section 2 of the act of August 2, 1886, prescribes that the substance theretofore known as "butterine" shall be known and *designated* as "oleomargarine."

If manufacturers of oleomargarine desire to place upon the outside of their original wooden package, contemplated in section 6 of the act of August 2, 1886, their names, or some word or mark descriptive of the quality of the product, they may do so, provided they also brand or stencil on the package the word "oleomargarine" beneath such name, word, or mark, so as to be read as a word in association with such name, word, or mark; and, if desired, figures and words may be added indicating the form or manner in which the contents are packed, as shown in the following illustrations:

JOHN DOE,
Manufacturer of
OLEOMARGARINE.
50-1-lb. Plain Bricks.

RICHARD ROE,
Manufacturer of Jersey
OLEOMARGARINE.
Solid.

JOHN DOE,
Manufacturer of Devon
OLEOMARGARINE.
20-1-lb. Fancy Rolls, Short.

RICHARD ROE,
Manufacturer of Crescent
OLEOMARGARINE.
52-1-lb. Rolls, Long.

Provided, The word "oleomargarine" as used in such labels, marks, brands, etc., is branded or stenciled in plain roman letters, not less in size than the letters used in the manufacturer's name, with the word describing the brand in letters not greater than one-half that size.

And provided also, The figures and words describing the form in which contents are packed be not greater than one-half the size of the letters prescribed for the word "oleomargarine."

And provided further, The words, figures, marks, etc., hereby allowed in no wise obscure or encroach upon the Government brands, marks, etc., required by these regulations. The employment of any word or mark, by itself, or in connection with any name or firm, will not be allowed, and if used will be at the manufacturer's own risk. Such specimen words, marks, etc., as may be submitted for consideration of this office should be sent, in duplicate, through the office of the collector of the district in which the factory is located.

In case the package is removed from the factory for export under the provisions of section 16 of the act of August 2, 1886, the words

“Oleomargarine for export” will also be stenciled or branded thereon by the exporter in letters not less than three-quarters of an inch in length and of such width and color as the collector of internal revenue shall approve. This export brand must be placed on the side of the package.

The use of cloth or paper wraps to preserve the form of prints inside of the manufacturer’s packages will be permitted, provided such wraps, taken separately, are not safe or suitable for the transportation of oleomargarine, and are not packages within the meaning of section 6.

Manufacturers may put up oleomargarine *for export* in wooden, tin, or other vessels containing not less than one-half pound each, which must, however, be packed in tubs, firkins, or other packages: *Provided*, The application for the withdrawal of the oleomargarine for exportation (Form 220 A), hereinafter described, fully sets forth the kind and capacity of each such vessel, and the number thereof put into each tub, firkin, or other manufacturer’s package. *And provided*, The word “oleomargarine” is conspicuously marked, branded, or stamped on the top or side or end-face of each inner vessel, in plain roman letters, not less than one-half inch square. *And provided also*, The tubs, firkins, or other packages containing the smaller packages be not nailed, sealed, or otherwise closed until inspected in the following manner by the proper collector of internal revenue or his deputy: Before the tub, firkin, or other package is nailed, sealed, or otherwise closed for shipment the inspecting officer must examine to see that it contains the number of vessels of the kind and capacity set forth in the application for the withdrawal, and if found by him to agree with the statements therein he will allow the package to be closed, and shall immediately thereafter place thereon the required marks, brands, and stamps or labels.

Upon every manufacturer’s package of oleomargarine the law (section 7, act of August 2, 1886) requires that there shall be securely affixed, by pasting, a label, on which shall be printed the number of the manufactory and the district and State in which it is situated, together with the following notice:

“NOTICE.—The manufacturer of the oleomargarine herein contained has complied with all the requirements of law. Every person is cautioned not to use either this package again or the stamp thereon again, nor to remove the contents of this package without destroying said stamp, under the penalty provided by law in such cases.”

The label on which the above notice is to be printed is required to be not less than 4 and not more than 6 inches long and not less than 2½ inches in width, and the printing thereon must be in plain, open, and legible letters, in black ink on white paper, and in addition to the above requirements of law contain the official form number and

the words "For oleomargarine." These labels will be in the following form:

FORM 219.

For Oleomargarine.

Factory No. —, ——— District, State of ———.

"NOTICE.—The manufacturer of the oleomargarine herein contained has complied with all the requirements of law. Every person is cautioned not to use either this package again or the stamp thereon again, nor to remove the contents of this package without destroying said stamp, under the penalty provided by law in such cases."

The label must be securely affixed, by paste, across the side of the package in such a way as to be exposed to public view, and easily read.

The tax of 2 cents per pound imposed by section 8 of the act of August 2, 1886, upon all oleomargarine manufactured and sold, or removed for consumption or use, must be paid by the manufacturer thereof.

Under the law this tax must be represented by coupon stamps. Such stamps have been prepared in denominations of 10, 20, 30, 40, 50, 60, 70, 80, 90, and 100, and are obtainable upon application, on Form 218, to the collector of the district in which the factory is located.

The tax-paid stamp must bear the signature of the collector and show thereon the date of payment of the tax, the number of pounds, the number of the factory, and the name of the person by whom or for whom it was canceled.

On the withdrawal of a package the proper tax-paid stamp must be affixed thereto by the manufacturer in the same manner as the label, except that in addition to the paste tacks must be used. Not less than five tacks must be driven through each stamp, one at each corner and one in the middle of the stamp.

The stamp having been affixed, it must be immediately canceled. For the purpose of cancellation the manufacturer will use a stencil plate of brass or copper, in which will be cut five fine parallel waved lines, long enough to extend beyond each side of the stamp, onto the wood of the package. The imprinting from this plate must be with blacking or other durable coloring material, over and across the stamp, and in such manner as not to deface the reading matter on the stamp—that is, so as not to daub and make it illegible.

In case the package is removed from the factory for export free of tax under the provisions of section 16 of the act of August 2, 1886, an

export stamp must be affixed and canceled by the inspecting collector or deputy collector in the same manner as the tax-paid stamp. Export stamps have no money value.

Each export stamp must show the name of the collector issuing the same, together with his district and State, also the name of the exporter to whom issued, the number of the factory, the number of pounds, contents, and the name of the collector or deputy collector by whom the stamp is affixed and canceled.

It is clearly the intent of the law relative to oleomargarine that purchasers of that commodity shall be informed, at the time of purchase, of the true nature of the article, by marks, brands, and stamps to be placed thereon; hence, manufacturers and dealers are not permitted to send out or ship packages of oleomargarine concealed in boxes, barrels, jute bags, burlap, or other article of covering. Packages may be sent out or shipped in crates or other similar devices, provided they are so packed in such crates or devices that the internal-revenue marks, brands, stamps, etc., are plainly exposed to public view.

Any package of oleomargarine found upon the market so packed as to conceal any of the marks, brands, stamps, etc., from plain view to the public will be liable to detention or seizure. (37 Rec., p. 21.)

TAX-PAID AND EXPORT STAMPS FOR OLEOMARGARINE.

The *tax-paid stamps* for oleomargarine have been engraved and bound in book form in denominations of 10, 20, 30, 40, 50, 60, 70, 80, 90, and 100 pounds. Each book contains 200 stamps and 1,800 coupons. Each package removed from the factory on payment of the tax should have but one of these stamps affixed, which will correctly represent the taxable quantity in the package, provided the same does not exceed 109 pounds. If the net weight is greater than 109 pounds and not greater than 218 pounds, the tax will be represented by two stamps only; where the quantity exceeds 218 pounds and is not greater than 327 pounds the tax will be represented by three stamps. For example: A 120-pound package may be covered by a 100-pound stamp with nine coupons and a 10-pound stamp with one coupon; and a 320-pound package may be covered by two 100-pound stamps each with nine coupons and one 100-pound stamp with two coupons.

The tax-paid stamp must bear the signature of the collector and show thereon the date of payment of the tax, the number of pounds, the number of the factory, and the name of the person by whom or for whom it was canceled.

Stamps for the payment of tax on oleomargarine are furnished to collectors of internal revenue on requisition Form 223.

Oleomargarine *export stamps* are printed in book form, each book containing 400 stamps, and are issued to collectors on requisition Form 223. Each stamp must show the name of the collector issuing the

same, together with his district and State, also the name of the exporter to whom issued, the number of the factory, the number of pounds, contents, and the name of the collector or deputy collector by whom the stamp is affixed and canceled.

ASSESSMENTS.

Section 9 provides as follows:

“That whenever any manufacturer of oleomargarine sells, or removes for sale or consumption, any oleomargarine upon which the tax is required to be paid by stamps, without the use of the proper stamps, it shall be the duty of the Commissioner of Internal Revenue, within a period of not more than two years after such sale or removal, upon satisfactory proof, to estimate the amount of tax which has been omitted to be paid, and to make an assessment therefor and certify the same to the collector. The tax so assessed shall be in addition to the penalties imposed by law for such sale or removal.”

Collectors will report taxes for assessment in accordance with the above-quoted section on Form 23, as heretofore required in case of other stamp taxes when the taxable article is removed without being stamped. (See Regulations, Series 7, No. 1.)

Deputy collectors, in canvassing for objects of taxation under the requirements of section 3172 of the Revised Statutes, will inquire after and concerning all persons in their respective divisions who are liable to pay a special tax, and all persons owning or having the care and management of the articles liable to tax under the act of August 2, 1886, and to make a list of such persons and such articles. Each deputy will also note, over his signature, on the Government record, Form 60, of the manufacturers, the date of examination and the condition of the accounts at that time, and such other memoranda as will be valuable upon any subsequent examination.

SAMPLES OF OLEOMARGARINE FOR EXHIBITION.

Upon application of the manufacturer to the collector to remove free of tax a portion of his product in bulk to a public fair or exposition building for purposes of exhibition within the district in which the factory is located, the collector may, provided that, in his judgment, the United States will suffer no loss by the arrangement, issue to the applicant a permit to remove the product in the presence of a deputy collector, who will ascertain and note the exact number of pounds so removed.

The permit should state for what period the article may remain on exhibition, and should stipulate that it is not to be sold or offered for sale until returned to the factory, the return to be made in the presence of a deputy collector, who will see that the exact quantity is returned. The deputy should take an inventory of the quantity used for exhibition, and then check back on that inventory when the oleomargarine is returned to the factory.

Collectors must not grant manufacturers permission to withdraw specimens, free of tax, for exhibition at a place outside of the district in which the producing factory is located, except upon express authority from the Commissioner of Internal Revenue.

GOVERNMENT RECORD TO BE KEPT BY MANUFACTURERS OF
OLEOMARGARINE.

Every manufacturer of oleomargarine is required to enter daily in a book (Form 60) the quantity of materials used for the production of oleomargarine, the quantity of materials otherwise used, the number of packages and pounds of oleomargarine produced, the number of packages and pounds of oleomargarine sold or removed, and the name and the place of business or residence of each person to whom sold or consigned. Model blank form furnished by the Commissioner of Internal Revenue.

This book must always be kept at the manufactory and be always open to the inspection of any internal-revenue officer or agent.

For any false entry made in this book, or the omission, with fraudulent intent, of any entry required to be made therein, the manufacturer is liable to penalties imposed by section 18 of the act of August 2, 1886.

If the manufacturer is also a retail dealer, he will enter all sales as a manufacturer to himself as a retail dealer, giving all details, as in case of sale to any other person.

All transactions must be entered in the order of time in which they occur, the records as to one day's business being completed before those of the next day are commenced.

The number of pounds to be entered in this book is the number of *taxable* pounds. For instance, a package containing $10\frac{1}{2}$ pounds actual weight should be entered as containing 11 pounds, because under the law imposing the tax the half pound is regarded as a whole pound.

If, however, the invoice as to goods consigned to a wholesale dealer should state the actual number of pounds, a memorandum of the quantity covered by the invoice should also be made in the book, to be copied on Form 216, as hereinafter required in instructions relative to that form.

In case any oleomargarine is returned to the factory it should be noted in this book, with all details as to quantity, the date when and the name and address of the person from whom each lot is received, which details may be entered in columns 15 to 23, under a special heading written across the page as follows: "Special account of tax-paid oleomargarine returned to the factory."

If any "returned" oleomargarine is sold again intact, or destroyed, dumped for grease, or taken up in the material account to be worked over, all the details should likewise be entered in this book under the special heading "Withdrawal of returned oleomargarine." But

“returned” oleomargarine, unless sold again intact, should not be disposed of except under the inspection of an internal-revenue officer.

The deputy collector, or other officer under whose inspection oleomargarine is destroyed, dumped for grease, or otherwise disposed of (except when resold intact), will submit to the collector of the district a certificate setting forth the date of the transaction, the nature thereof, and the number of packages and quantity of oleomargarine involved, which certificate the collector will attach to the manufacturer’s return on Form 216, reporting the withdrawal to be forwarded to the Commissioner of Internal Revenue.

MANUFACTURER’S MONTHLY REPORT.

Every manufacturer of oleomargarine is required to make monthly a report, in duplicate, on Form 216 (with inside sheets when needed to complete the detailed statements), stating the quantity of materials used for the production of oleomargarine, the quantity of materials otherwise used, the number of packages and pounds of oleomargarine produced, the number of packages and pounds of oleomargarine sold or removed, and the name and the place of business or residence of each person to whom sold or consigned.

The report is practically a transcript of the Government record (Form 60) mentioned on page 27, and the blank is arranged substantially the same, excepting that it contains, in addition, a form of recapitulation for the detailed statements of production and original withdrawals, likewise a form of recapitulation for receipts and withdrawals of “returned” oleomargarine. It also contains a form of affidavit to the effect that the statements are true.

The report must be made to the collector on the 1st day of the month, or within five days thereafter, covering the transactions of the preceding month.

The report must be sworn to and signed. When the person swearing to and signing a return is not the manufacturer himself, or a member of the manufacturing firm, difficulty is sometimes experienced by internal-revenue officers in deciding whether the person swearing and signing has authority to do so. Collectors may therefore exact from persons signing for principals residing in a district other than that in which the business is transacted powers of attorney, or other paper writings, conferring upon such persons the necessary authority to make and sign the returns. In all such cases the collector will furnish the Commissioner of Internal Revenue with a copy of the authority.

Reports sworn to before persons other than internal-revenue officers must have the seal of the attesting officer, as well as his signature, properly affixed thereto. If he have no seal, his official character must be authenticated under the seal of some officer empowered to so certify (such as the clerk of the court where his commission is recorded), and such authentication must be attached to the return. When the

authentication has been once filed it will not be again required during the lifetime of the commission to which it relates, *provided* it specifies the date of expiration of the commission.

It is strictly required that the returns shall be legibly prepared in every particular. Any report not clear and distinct will be returned to the manufacturer, through the collector, for revision, or an entire new report may be demanded.

If manufacturers prefer to furnish their own forms, the blanks so provided must be identical in form and character with those supplied by collectors, and the paper must be of quality to endure much handling.

Reports prepared on tissue paper will not be accepted.

WHOLESALE DEALERS.

SPECIAL TAXES.

Section 3 of the act of August 2, 1886, provides as follows:

* * * * *

“Wholesale dealers in oleomargarine shall pay four hundred and eighty dollars. Every person who sells or offers for sale oleomargarine in the original manufacturer’s packages shall be deemed a wholesale dealer in oleomargarine. But any manufacturer of oleomargarine who has given the required bond and paid the required special tax, and who sells only oleomargarine of his own production, at the place of manufacture, in the original packages to which the tax-paid stamps are affixed, shall not be required to pay the special tax of a wholesale dealer in oleomargarine on account of such sales.

* * * * *

“And sections thirty-two hundred and thirty-two, thirty-two hundred and thirty-three, thirty-two hundred and thirty-four, thirty-two hundred and thirty-five, thirty-two hundred and thirty-six, thirty-two hundred and thirty-seven, thirty-two hundred and thirty-eight, thirty-two hundred and thirty-nine, thirty-two hundred and forty, thirty-two hundred and forty-one, and thirty-two hundred and forty-three of the Revised Statutes of the United States are, so far as applicable, made to extend to and include and apply to the special taxes imposed by this section, and to the persons upon whom they are imposed.” * * *

Section 53 of the act of October 1, 1890, provides as follows:

“That all special taxes shall become due on the first day of July, eighteen hundred and ninety-one, and on the first day of July in each year thereafter, or on commencing any trade or business on which such tax is imposed. In the former case the tax shall be reckoned for one year; and in the latter case it shall be reckoned proportionately from the first day of the month in which the liability to a special tax commenced to the first day of July following. * * * And it shall be the duty of special tax payers to render their returns to the deputy collector at such times within the calendar month in which the special tax liability commenced as shall enable him to receive such returns, duly signed and verified, not later than the last day of the month, except in cases of sickness or absence, as provided for in section three thousand one hundred and seventy-six of the Revised Statutes.”

Under the provisions of the above section the special-tax year commences July 1. The special tax of wholesale dealers who commence business on the 1st day of July will be reckoned for one year, and the tax of wholesale dealers who commence business after the 1st of July will be reckoned proportionately from the 1st day of the month in which the liability to special tax commenced to the 1st day of July following.

Every person intending to engage in the business of wholesale dealing in oleomargarine must register with the collector of internal revenue for the district in which the business is to be carried on his name or style, place of residence, and the place where the business is to be carried on, and purchase his special-tax stamp.

In case of a firm or company, the names of the several persons constituting the same and their places of residence must be so registered. All persons who are in the business June 30 must take similar action before continuing business from July 1.

Whenever any person engages in or carries on business for which a special tax is required by law, refuses or neglects to render the return therefor required by law, the Commissioner of Internal Revenue is required to assess the tax due, and to add 50 per cent to such tax. In case of a false or fraudulent return, he is required to add 100 per cent to the tax due. The amount so added will be collected in the same manner as the tax. (Sec. 3176, Rev. Stat.)

Section 4 of the act of August 2, 1886, imposes fines upon those who do business rendering them liable to special tax as wholesale dealers in oleomargarine under the law without paying the special tax, as follows:

* * * "And every person who carries on the business of a wholesale dealer in oleomargarine without having paid the special tax therefor, as required by law, shall, besides being liable to the payment of the tax, be fined not less than five hundred nor more than two thousand dollars."

A receiver, appointed by the court, is not liable to the special tax of dealer in oleomargarine for selling that product under order of the court.

A trustee is not liable to special tax as a dealer in oleomargarine when he carries on the business at the principal's store and under the special-tax stamp issued to the principal.

An assignee may continue the business of a dealer in oleomargarine under the assignor's special-tax stamp without incurring liability to the special tax of dealer in oleomargarine.

A transportation company is not liable to the special tax of dealer in oleomargarine for merely selling oleomargarine to secure its freight charges.

The following in reference to the liability of agents or brokers receiving and transmitting orders for oleomargarine to manufacturers is found in Volume I of Synopsis of Decisions, Treasury Department, January to June, 1898 (No. 18978), viz:

"Where orders are received by a manufacturer at his factory, and he there, in each instance, sells to the person ordering, and sets apart for him at that place the packages ordered, and makes entries accordingly in his books, and makes his bill against such person, these packages sent out marked for delivery to this person may be shipped with other packages (in like manner sold at the factory to other persons), and upon their arrival at their destination may be delivered to these various owners without involving the manufacturer or his agent in special tax liability at the place of such delivery.

“Such sales must be absolutely completed at the factory to the persons ordering, and if in any cases it be shown by book entries or otherwise that the manufacturer has really sold the packages shipped (however marked) to the person calling himself agent, the latter’s delivery of these packages to purchasers involves him in liability for special tax as a wholesale dealer at the place of such delivery.

“The identical package sold at the factory to each of these persons is the only package that the agent has a right to deliver to such purchaser at any place where the special tax stamp of a wholesale dealer in oleomargarine is not held by such agent or by the manufacturer.”

See decision in the case of *Judd O. Hartzell v. U. S.* (1899) Treas. Dec. No. 1. Int. Rev. No. 2.

In reference to the storage and sale of oleomargarine at some place other than where the stamp of the wholesale dealer is held, a letter addressed to the manager of the G. H. Hammond Company, Boston, Mass., of date December 12, 1899, explains the position of the internal-revenue office upon this subject.

The letter referred to says:

“In reply to your letter of the 18th ultimo, you are hereby informed that the special tax stamp which your company holds in Providence, R. I., as a wholesale dealer in oleomargarine, covers only sales and deliveries (either actual or constructive) of packages of oleomargarine at the place of business in Providence for which the stamp is taken out and at which it is required to be conspicuously posted up.

“If, therefore, as you suggest, for the purpose of saving ‘freight and express charges,’ your company should store stamped packages of oleomargarine in Boston, and take orders therefor from customers there, it could not deliver these packages of oleomargarine from that place of storage to the customers without subjecting itself to special tax liability as a wholesale dealer there, unless in every instance, prior to such delivery, it be shown that constructive delivery of the precise packages ordered were made at the place of business in Providence to the customer ordering by means of a bill of sale describing the packages and delivered to him in Providence or mailed to him from there prior to the actual delivery of the packages to him in Boston.”

A manufacturer of oleomargarine, after having discontinued business, directed one wholesale dealer in oleomargarine who held some of his goods to consign the same to another wholesale dealer in oleomargarine, who sold the same on the late manufacturer’s account on commission.

It is held that these transactions do not make the late manufacturer a wholesale dealer, as the special-tax stamp of the wholesale dealer who sold the goods covered the sale at his place of business of the packages belonging to the late manufacturer, which the dealer received as such manufacturer’s property and sold on commission for him and on his account as his agent.

The question having been raised as to whether wholesale dealers in oleomargarine who store packages of that product upon premises other than the place for which the special tax of dealers has been paid may deliver packages from such storage house upon sales actually made

at the place of business for which the tax has been paid, it is held that such proceeding is proper under the provisions of section 3235, Revised Statutes. But in every instance it should be clear that the sale has been completed at the wholesale place covered by the special-tax stamp, by constructive delivery there, prior to the actual removal of the package from the place of storage for delivery to the purchaser.

Receipt of an order at the wholesale place, and the sending of such order from the wholesale place to the storage house for delivery, is not a sale of the package at the wholesale place. In order to complete the sale at the wholesale place the dealer must not merely receive the order at the wholesale place, but he must make out and there deliver to the customer ordering or send to him direct from the wholesale place a bill of sale, in each instance, transferring to him the ownership of the package before there is any actual delivery of the package at the storage house.

Special-tax stamps are not transferable from one dealer to another. When a new member is added to a firm a new stamp will be required.

Any number of persons doing business in copartnership at any one place are required to pay but one special tax.

A person carrying on the business of a wholesale dealer in oleomargarine at more than one stand or location must pay special tax for each such stand or location.

A member of a firm who has acquired the interests of the other members may carry on the business without payment of additional special tax.

A dealer may move from one location to another without paying an additional special tax, provided such change or removal is registered with the collector of internal revenue.

When a person who has paid the special tax dies, his legal representatives may carry on the business for the residue of the term for which the special tax was paid without paying additional special tax.

WHOLESALE DEALER'S PACKAGES.

Under the provisions of section 3, above quoted, and of the following clause in section 6 of the same act, "all sales made by manufacturers of oleomargarine and wholesale dealers in oleomargarine shall be in original stamped packages," wholesale dealers can not sell or offer for sale oleomargarine in any form but the manufacturer's original package.

Section 11 of the act of August 2, 1886, provides as follows:

"That every person who knowingly purchases or receives for sale any oleomargarine which has not been branded or stamped according to law shall be liable to a penalty of fifty dollars for each such offense."

It is clearly the intent of the law relative to oleomargarine that purchasers of that commodity shall be informed, at the time of purchase, of the true nature of the article, by marks, brands, and stamps to be

placed thereon; hence, manufacturers and dealers are not permitted to send out or ship packages of oleomargarine concealed in boxes, barrels, jute bags, burlap, or other article of covering. Packages may be sent out or shipped in crates or other similar devices, provided they are so packed in such crates or devices that the internal-revenue marks, brands, stamps, etc., are plainly exposed to public view.

Any package of oleomargarine found upon the market so packed as to conceal any of the marks, brands, stamps, etc., from plain view to the public will be liable to detention or seizure. (37 Rec., p. 21.)

A wholesale dealer is required to account for each package of oleomargarine received into his establishment, as hereinafter prescribed.

BOOKS AND RETURNS OF WHOLESALE DEALERS IN OLEOMARGARINE.

Section 41 of the act of October 1, 1890, provides—

“That wholesale dealers in oleomargarine shall keep such books and render such returns in relation thereto as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may, by regulation, require, and such books shall be open at all times to the inspection of any internal-revenue officer or agent.”

Under the above provision of law wholesale dealers are required to keep books and render returns as follows:

GOVERNMENT RECORD TO BE KEPT BY WHOLESALE DEALERS.

Every wholesale dealer in oleomargarine is required to enter, on the day when received, in a book (Form 61) the number of packages and pounds of oleomargarine received, the number of packages and pounds of oleomargarine disposed of, and the name and place of business or residence of each person to whom sold or consigned. (Model blank form furnished by Commissioner of Internal Revenue.)

This book must always be kept at the dealer's place of business and be always open to the inspection of any internal-revenue officer or agent.

If the wholesale dealer is also a retail dealer in oleomargarine, he will enter in this book all sales as a wholesale dealer to himself as a retail dealer, giving all the details, as in the case of a sale to another person.

Wholesale dealers will not take up on this book any oleomargarine not actually received by them.

All transactions must be entered in the order of time in which they occur, the records as to one day's business being completed before those of the next day are commenced.

RETURNS OF WHOLESALE DEALERS IN OLEOMARGARINE.

Wholesale dealers in oleomargarine will make monthly returns on Form 217 (with inside sheets when needed to complete the detailed

statements), showing in detail the number of packages and number of pounds of oleomargarine received direct from manufacturers and other wholesale dealers, also the quantity disposed of, with the name and address of each person to whom sold or consigned. These returns will be rendered on the first day of the month succeeding that for which the return is made, or within five days thereafter, in duplicate, to the collector, who will forward one copy to the Commissioner of Internal Revenue.

It is strictly required that the returns shall be legibly prepared in every particular. Any report not clear and distinct will be returned to the dealer, through the collector, for revision, or an entire new report may be demanded.

If wholesale dealers prefer to furnish their own forms, the blanks so provided must be identical in form and character with those supplied by collectors, and the paper must be of quality to endure much handling. Reports prepared on tissue paper will not be received.

The arrangement of the form is as follows:

The detailed statements to be made on the first and following pages and the order of their arrangement are indicated in the recapitulation on the last page. All items in each statement of oleomargarine received or disposed of must be arranged in the order of time in which the goods are received or disposed of, as the case may be. Inside pages have been prepared especially for the purpose of recording oleomargarine sent out, but if needed to continue the details of oleomargarine received, certain headings should be modified. No detailed statement for entries on line 1 of the recapitulation is required.

The detailed statement of oleomargarine received direct from the manufacturers during the month will be commenced at the top of page 1 and continued in regular order of time from the first to the last business day of the month until complete. The totals of columns "Number of packages" and "Number of pounds" will be carried into the "Recapitulation," on line 2.

If any oleomargarine has been received during the month from other wholesale dealers, the words "*Oleomargarine received from other wholesale dealers*" will be written in red ink across the page under the total of "Oleomargarine received direct from manufacturers;" and the items and totals of such receipts will be entered under this heading in proper order, and the totals of packages and pounds carried into line 3 of the "Recapitulation."

If any oleomargarine credited as having been sent out to any customer other than a wholesale dealer is returned as not acceptable, or if any oleomargarine has been for any reason erroneously credited as having been disposed of, it should be charged back into the account. The items of such *counter charges*, if any, with name and address of party returning the article, should be entered under an appropriate red-ink heading under the total of the "Quantity received from

other wholesale dealers," and the totals carried into line 4 of the "Recapitulation."

The totals on line 5 are those of items on lines 1, 2, 3, and 4, and show the whole quantity to be accounted for.

If any oleomargarine has been disposed of during the month to other wholesale dealers, the words "*Disposed of to other wholesale dealers*" will be written in red ink across the page, usually the top of the second page, after the total of "Oleomargarine received from other wholesale dealers" (or total of countercharges, if any); and the items and totals of oleomargarine so disposed of will be entered under this heading in proper order and the totals of packages and pounds carried into line 6 of the "Recapitulation."

If any oleomargarine has been disposed of during the month to retail dealers, or others not known to be wholesale dealers, the words "*Disposed of to persons not known to be wholesale dealers*" will be written in red ink across the page, under the total of "Oleomargarine disposed of to other wholesale dealers;" and the items and totals of oleomargarine so disposed of will be entered on line 7 of the "Recapitulation." Oleomargarine disposed of by a wholesale dealer to himself as a retail dealer or consumer should be included in this statement.

In case oleomargarine is destroyed by fire or other casualty on the premises of a wholesale dealer, the details will be entered under an appropriate heading under the "Total disposed of to persons not known to be wholesale dealers," and the totals carried into line 8 of the "Recapitulation."

If any oleomargarine remains on hand at the close of the month, the words "*Oleomargarine on hand at close of the month*" will be written in red ink across the page under the "Total disposed of to persons not known to be wholesale dealers;" and the quantity of each manufacturer's product so left on hand will be entered, and the totals will be entered on line 9 of the "Recapitulation."

The totals on line 10 of the "Recapitulation" are those of items on lines 6, 7, 8, and 9, and show the whole quantity accounted for. If the account is correct, the totals on line 10 will be the same as those on line 5.

In giving the address of parties to whom goods are sent, specify the county and State in addition to city or town, and also state the street and number in cases of shipment to cities or towns wherein the streets are named and numbered and the houses are numbered.

The number of pounds to be reported should be the number of *taxable* pounds. If, however, the invoice as to goods consigned should state the actual number of pounds, a memorandum of the quantity covered by the invoice should be made at the foot of the page.

The recapitulation should be *signed by the firm name* immediately under totals on line 10, and the *person swearing* to the return should *sign* on the dotted lines below the right hand of the printed affidavit.

Reports sworn to before persons other than internal-revenue officers must have the seal of the attesting officer, as well as his signature, properly affixed thereto. If he have no seal, his official character must be authenticated under the seal of some officer empowered to so certify (such as the clerk of the court where his commission is recorded), and such authentication must be attached to the return. When the authentication has been once filed it will not be again required during the lifetime of the commission to which it relates, *provided* it specifies the date of expiration of the commission.

When the person swearing to and signing a return is not the dealer himself, difficulty is sometimes experienced by internal-revenue officers in deciding whether the person so swearing and signing has authority to do so. Collectors may, therefore, exact from persons signing for principals residing in a district other than that in which the business is transacted powers of attorney, or other paper writings conferring upon such persons the necessary authority to make and swear to the returns. In all such cases collectors will furnish the Commissioner of Internal Revenue with a copy of the authority.

RETAIL DEALERS.

SPECIAL TAXES.

Section 3 of the act of August 2, 1886, provides as follows:

“Retail dealers in oleomargarine shall pay forty-eight dollars. Every person who sells oleomargarine in less quantities than ten pounds at one time shall be regarded as a retail dealer in oleomargarine. And sections thirty-two hundred and thirty-two, thirty-two hundred and thirty-three, thirty-two hundred and thirty-four, thirty-two hundred and thirty-five, thirty-two hundred and thirty-six, thirty-two hundred and thirty-seven, thirty-two hundred and thirty-eight, thirty-two hundred and thirty-nine, thirty-two hundred and forty, thirty-two hundred and forty-one, and thirty-two hundred and forty-three of the Revised Statutes of the United States are, so far as applicable, made to extend to and include and apply to the special taxes imposed by this section, and to the persons upon whom they are imposed.” * * *

Section 53 of the act of October 1, 1890, provides—

“That all special taxes shall become due on the first day of July, eighteen hundred and ninety-one, and on the first day of July in each year thereafter, or on commencing any trade or business on which such tax is imposed. In the former case the tax shall be reckoned for one year; and in the latter case it shall be reckoned proportionately, from the first day of the month in which the liability to a special tax commenced to the first day of July following. * * * And it shall be the duty of special tax payers to render their returns to the deputy collector at such times within the calendar month in which the special tax liability commenced as shall enable him to receive such returns, duly signed and verified, not later than the last day of the month, except in cases of sickness or absence, as provided for in section three thousand one hundred and seventy-six of the Revised Statutes.”

Under the provisions of the above section the special-tax year commences July 1. The special tax of retail dealers who commence business on the 1st day of July will be reckoned for one year, and amounts to \$48, and the tax of retail dealers who commence business after the 1st of July will be reckoned proportionately (\$4 per month) from the 1st day of the month in which the liability to special tax commenced to the 1st day of July following.

Every person intending to engage in the business of retail dealing in oleomargarine must register with the collector of internal revenue for the district in which the business is to be carried on, his name or style, place of residence, and the place where the business is to be conducted, and purchase his special-tax stamp. In case of a firm or

company, the names of the several persons constituting the same and their places of residence must be so registered. All persons who are in the business June 30 must take similar action before continuing the business from July 1.

Whenever any person engages in or carries on business for which a special tax is required by law, refuses or neglects to render the return therefor required by law, the Commissioner of Internal Revenue is required to assess the tax due and to add 50 per cent to such tax. In case of a false or fraudulent return he is required to add 100 per cent to the tax due. The amount so added will be collected in the same manner as the tax. (Sec. 3176, Rev. Stat.)

Section 4 of the act of August 2, 1886, imposes fines upon those who do business rendering them liable to special tax as retail dealers in oleomargarine under the law without paying the special tax, as follows:

* * * * * *

“And every person who carries on the business of a retail dealer in oleomargarine without having paid the special tax therefor, as required by law, shall, besides being liable to the payment of the tax, be fined not less than fifty nor more than five hundred dollars for each and every offense.”

A receiver appointed by the court is not liable to the special tax of dealer in oleomargarine for selling that product under order of the court.

A trustee is not liable to special tax as a dealer in oleomargarine when he carries on the business at the principal's store and under the special-tax stamp issued to the principal.

An assignee may continue the business of a dealer in oleomargarine under the assignor's special-tax stamp without incurring liability to the special tax of dealer in oleomargarine.

Any number of persons doing business in copartnership at any one place are required to pay but one special tax.

A person carrying on the business of retail dealer in oleomargarine at more than one stand or location must pay special tax for each such stand or location.

A member of a firm who has acquired the interests of the other members may carry on the business without payment of additional special tax.

A dealer may move from one location to another without paying an additional special tax, provided such change or removal is registered with the collector of internal revenue.

When a person who has paid the special tax dies, his legal representatives may carry on the business for the residue of the term for which the special tax was paid without paying additional special tax.

Special-tax stamps are not transferable from one dealer to another. When a new member is added to a firm a new stamp will be required.

Retail dealers must keep their special-tax stamps conspicuously

posted in their places of business. For neglect to do this the law imposes a penalty equal to the amount of special tax and the costs of prosecution. Double this amount is imposed for willful neglect or refusal to conspicuously post the stamp.

A dealer in oleomargarine at a city market who transfers his business from one stand to another, or from one market to another, is entitled, under section 3241, Revised Statutes, to have his special-tax stamp transferred and retransferred as often as he thus removes. Collectors are permitted to issue to such dealer a special-tax stamp in general terms, for example, "At markets in Washington, D. C.," so that in removing from one stand to another the dealer may, at the same time, remove his stamp and post it up, without applying for its formal transfer.

It is the duty of dealers in butter to ascertain the true character of the article which they sell or offer for sale; and if they are found to have sold oleomargarine, though they allege that they believed it to be genuine butter, the special tax and 50 per cent additional will be assessed against them. (Letter to Collector Bigler, March 21, 1889.)

The keeper of a restaurant who furnishes oleomargarine merely to patrons at table can not be regarded as a retail dealer in oleomargarine. By section 6 of the act a retail dealer is confined strictly to sales "from original stamped packages." (32 Rec., p. 381.)

RETAIL DEALERS' PACKAGES.

The form in which retail dealers may sell oleomargarine is prescribed in section 6 of the act of August 2, 1886, which reads as follows:

* * * "Retail dealers in oleomargarine must sell only from original stamped packages, in quantities not exceeding ten pounds, and shall pack the oleomargarine sold by them in suitable wooden or paper packages, which shall be marked and branded as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe. Every person who knowingly sells or offers for sale, or delivers or offers to deliver, any oleomargarine in any other form than in new wooden or paper packages as above described, or who packs in any package any oleomargarine in any manner contrary to law, or who falsely brands any package or affixes a stamp on any package denoting a less amount of tax than that required by law, shall be fined for each offense not more than one thousand dollars, and be imprisoned not more than two years."

A retail dealer in oleomargarine is permitted by the section above quoted to sell as much as 10 pounds of oleomargarine at one sale; but as the same section requires him to sell it from the original stamped package, and section 3 of the act precludes his selling the original stamped package without payment of special tax by him as a wholesale dealer, the only course for him to pursue under these circumstances is to sell this quantity directly from the original stamped package, and deliver it in another package, properly marked and branded, to the purchaser. (See decisions reported under section 3, published in volume 32, Rec. p. 318.)

While a retail dealer who sells from "original stamped packages" to one person at one time quantities of oleomargarine aggregating more than 10 pounds, which he puts up and delivers in other packages, each containing 10 pounds or less, does not thereby involve himself in special-tax liability as a wholesale dealer, since a wholesale dealer in oleomargarine is defined by the statute to be "every person who sells or offers for sale oleomargarine in the original manufacturer's packages," yet he incurs the penalty of \$1,000 imposed by section 18 of the act of August 2, 1886, by his infringement of the provisions of section 6 of the act in selling more than 10 pounds at one time, unless he can show that the oleomargarine in each package so delivered differed in grade from that in the other packages delivered on the same order, and was, therefore, the subject of a separate sale, upon the principle laid down by the court in *United States v. Wm. V. James* (30 Rec., p. 29; 32 Rec., p. 381).

As the retail dealer is required to sell *from* original stamped packages, and can not, as a retail dealer, sell *in* such packages, he is compelled to make up his own packages. (See section 6, act of August 2, 1886.)

New wooden or paper packages similar to those usually employed in selling butter and lard at retail may be used by the retail dealer in oleomargarine.

Each retailer's wooden or paper package must have the name and address of the dealer *printed* or *branded* thereon, likewise the words "Pound" and "Oleomargarine," in letters not less than one-quarter of an inch square, and the quantity *written, printed, or branded* thereon in figures of the same size (one-quarter of an inch square), substantially as follows:

1. _____

2. _____

3. _____

$\frac{1}{2}$ POUND OLEOMARGARINE.

The words "Oleomargarine" and "Pound," which are required to be printed or branded on retailers' wooden or paper packages, in letters not less than one-quarter of an inch square, and the quantity which is required to be *written, printed, or branded* thereon in figures of like size, must be so placed as to be plainly visible to the purchaser

¹ Here give dealer's name.

² Here give street number.

³ Here give name of city or town.

at the time of delivery to him. Illegible or concealed marks and brands are not those contemplated and required by the law and regulations. It will not be deemed a compliance with this regulation if the word "Oleomargarine" and the other required words and figures shall be illegibly branded or printed, or so placed as to be concealed from view, by being on the inside of the package, or by folding in the stamped portion of the paper sheet used for wrapping or otherwise. The required words and figures must be legibly printed or branded and conspicuously placed, and no other word or business card should be placed in such juxtaposition thereto as to divert attention from the fact that the contents of the package are wholly oleomargarine.

The color of the ink with which the words are printed must be in the strongest contrast to the color of the package.

The question having arisen as to whether retail dealers in oleomargarine may continue the practice of wrapping their goods delivered to customers in ordinary brown wrapping paper, such packages being similar to those usually employed in selling butter and lard at retail, and being also marked as required by the regulations, it is held that such practice is in compliance with the law.

Retail dealers are permitted to take oleomargarine from the original stamped package in advance of sales and put it up in retail packages marked and branded as the law and these regulations prescribe, and offer them for sale, provided such prepared retail packages remain in the manufacturer's original package, or at most stacked up upon the outside thereof, or upon the lid undetached from the package, until the contents have been bargained for and sold, provided that in so doing none of the marks, brands, stamps, and notices required upon the package are concealed. But should the retailer remove his prepared packages from the original package, and sell them separated from and independently of the manufacturer's stamped package, he involves himself in liability to a fine of \$1,000. The oleomargarine must remain in (or upon) the original stamped package until sold therefrom. (Section 6, act of August 2, 1886, 37 Rec., p. 77.)

The purchaser, in these cases, is notified of the nature of the article purchased, which seems to be the leading purpose of the provision.

The penalty imposed upon retail dealers for knowingly selling or offering to sell oleomargarine in any other form than in new wooden or paper packages is prescribed in section 6, above quoted.

Section 13 of the act of August 2, 1886, provides that whenever any stamped package containing oleomargarine is emptied, it shall be the duty of the person in whose hands the same is, to destroy utterly the stamps thereon, and upon such person as willfully neglects or refuses so to do, imposes a fine for each offense of not less than fifty dollars, and imprisonment not less than ten days, nor more than six months.

The same section also imposes a fine for each offense not exceeding \$100 and imprisonment not more than one year upon any person who

fraudulently gives away or accepts from another, or who sells, buys, or uses for packing oleomargarine, any empty stamped package.

Any revenue officer may destroy any emptied oleomargarine package upon which the tax-paid stamp is found.

Sections 11 and 12 impose penalties as follows upon any person who knowingly purchases or receives for sale packages that have not been branded and stamped, and for knowingly purchasing or receiving oleomargarine for sale from any manufacturer who has not paid the special tax as such:

“SEC. 11. That every person who knowingly purchases or receives for sale any oleomargarine which has not been branded or stamped according to law shall be liable to a penalty of fifty dollars for each such offense.

“SEC. 12. That every person who knowingly purchases or receives for sale any oleomargarine from any manufacturer who has not paid the special tax shall be liable for each offense to a penalty of one hundred dollars, and to a forfeiture of all articles so purchased or received, or of the full value thereof.”

OLEOMARGARINE FOR EXPORT.

Section 16 of the act of August 2, 1886 (24 Stat., 209), provides as follows:

“That oleomargarine may be removed from the place of manufacture for export to a foreign country without payment of tax or affixing stamps thereto, under such regulations and the filing of such bonds and other security as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe. Every person who shall export oleomargarine shall brand upon every tub, firkin, or other package containing such article the word ‘oleomargarine,’ in plain Roman letters not less than one half inch square.”

For the purpose of carrying out the provisions of said section, and by virtue of the authority conferred therein, the following rules and regulations are prescribed:

Every person intending to export oleomargarine under the foregoing provision of law will deposit with the collector of the district in which the manufactory is situated a bond, with sureties satisfactory to that officer, and in the following form, a copy of which will be forwarded to the Commissioner of Internal Revenue, with the collector’s approval indorsed thereon:

BOND—FORM 220—REVISED.

For the Exportation of Oleomargarine, under the Act of Congress Approved August 2, 1886.

[This bond must be executed by every exporter of oleomargarine before commencing business, and should be accompanied by affidavits of sureties on Form 33, or in case of a surety company on Form 400. When found to be properly filled up and executed, and the sureties or surety ample, the collector of internal revenue will approve the same and immediately forward a copy thereof, duly certified by himself, to the Commissioner of Internal Revenue.]

No. —.

Know all men by these presents, that we (1) ———, as principal ———, and ——— and ———, as sureties, are held and firmly bound unto the United States of America in the sum of (2) ——— dollars; for the payment whereof to the United States we bind ourselves, our heirs, executors, and administrators, jointly and severally, firmly by these presents.

Witness our hands and seals, at ———, this ——— day of ———, 190—.

Whereas the above bounden principal— intend— to engage in the business of exporting from the United States without payment of tax certain oleomargarine, manufactured, or to be hereafter manufactured, by ———, at ———, in the ——— collection district of ———: Now, therefore, the condition of this obligation is such that if the entire quantity of oleomargarine at any and all times hereafter

so manufactured and removed for export shall be duly consigned to a collector of customs, and shall, upon the receipt thereof by such collector, be entered for export from the United States; and if within (3) ——— days from the date of such removal for exportation the above bounden principal— shall produce to the collector of internal revenue for the ——— district of ——— the proofs required by the Regulations of the Treasury Department, showing that the oleomargarine so removed has been duly laden on a foreign-bound vessel or car, and that the said article was entered on the outward manifest or waybill of such vessel or car, and was actually cleared for a foreign port, or in default thereof, satisfactory proof to the said collector of internal revenue and to the Commissioner of Internal Revenue that the article so removed was actually and accidentally destroyed while being transported from the place of manufacture to a port of export, then this obligation to be void; otherwise to remain in full force and virtue.

And the obligors for themselves, their heirs, executors, and administrators, do further covenant and agree with the United States in case the aforesaid proof of exportation or loss is not produced within the time above specified, or in case the said article or any portion thereof is fraudulently brought back or relanded within the jurisdiction of the United States, and contrary to law, well and truly to pay or cause to be paid to the collector of internal revenue aforesaid a sum equal to the tax on said article for which such proof of exportation or loss has not been produced, and five thousand dollars as liquidated damages for each such fraudulent and unlawful relanding.

(5) ———. [L. S.]
 (5) ———. [L. S.]
 (5) ———. [L. S.]

Signed, sealed, and delivered in the presence of— (4)

State of——— }
 County of——— } ss: (6)

I hereby certify that on this ——— day of ———, one thousand nine hundred and ———, before me personally came ———, known to me to be the individuals described in and who executed the above bond, and severally acknowledged that they executed the same.

[Seal.] (7) ———

(1) The full name and residence of each party to the bond must be here stated. In case of a firm, the firm name and principal place of business and the name and residence of each member thereof must be stated.

(2) The penalty of the bond must in no case be less than \$5,000.

(3) If the article to be removed is located at a port of export, the time to be here inserted must not exceed fifteen days. If located in an interior district, a time not exceeding sixty days may be here specified.

(4) Each signature must be made in the presence of at least two witnesses, who must sign their names as such. Any interlineation or erasure in the bond should be here noted before the witnesses sign.

(5) In case of a firm, the firm name must be here signed, as also the full name of each member thereof. When the bond is executed under a power of attorney, the name of the principal and also the name of the attorney must be signed in each case. In case of an incorporated company the name of the company will be signed, and its corporate seal affixed by the duly authorized officer of the company, who will also sign his own name as such officer and attach to the bond a copy of the articles of incorporation.

(6) The execution of the bond must be acknowledged by each person signing the bond, before some officer authorized to take the acknowledgment of deeds. If there are any erasures or interlineations in the bond, the acknowledgment should be of the further fact "that the erasures and interlineations noted were made before execution," and the officer should make the corresponding addition to this certificate.

(7) When the acknowledgment is taken by an officer having no seal, evidence as to the qualification of such officer to take the acknowledgment of deeds will be required.

The bond here prescribed must be duly acknowledged by the signers thereof before some officer authorized to take the acknowledgments of deeds and having a seal, and this form of bond may be used in all cases, whether the manufactory is located at the port of export or in some interior district. In no case should the penalty of the bond be less than *five thousand dollars*.

An account shall be kept, either upon the bond or otherwise, in which account the principal will be charged with the tax on each and every lot removed for exportation in the manner hereinafter provided, and will receive credit for the tax on each lot concerning which the proof of exportation prescribed is received; and collectors will in all such cases see that the penalty of each bond held by them is at least *double* the amount of all outstanding charges on the bond. When necessary a new or additional bond must be given by the exporter.

PACKAGES FOR EXPORTING OLEOMARGARINE.

Section 16 of the act approved August 2, 1886 (24 Stat., 209), provides that oleomargarine may be removed from the place of manufacture for export to a foreign country without payment of tax, under such regulations and the filing of such bonds and other security as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe. It also requires every person who shall export oleomargarine to brand upon every tub, firkin, or other package containing such article the word "oleomargarine," in plain roman letters not less than one-half inch square.

In accordance with the provisions of the above-mentioned section oleomargarine may be removed from the place of manufacture for export to a foreign country in tubs, firkins, or other packages containing not less than 10 pounds of such article, of such material and form as the exporter may select, provided that the package so used is capable of being and is marked, branded, and stamped or labeled as required by law and regulations.

Manufacturers may put up oleomargarine for export in wooden, tin, or other vessels containing not less than one-half pound each, which must, however, be packed in tubs, firkins, or other packages, as indicated in the preceding paragraph: *Provided*, The application for the withdrawal of the oleomargarine for exportation (Form 220 A, hereinafter described) fully sets forth the kind and capacity of each such vessel, and the number thereof put into each tub, firkin, or

other package described in the preceding paragraph: *And provided*, The word "oleomargarine" is conspicuously marked, branded, or stamped on the top or side or end face of each inner vessel in plain roman letters not less than one-half inch square: *And provided also*, The tubs, firkins, or other packages containing the smaller packages be not nailed, sealed, or otherwise closed until inspected in the following manner by the proper collector of internal revenue, or his deputy: Before the tub, firkin, or other package is nailed, sealed, or otherwise closed for shipment, the inspecting officer shall examine to see that it contains the number of vessels of the kind and capacity set forth in the application for the withdrawal, and if found by him to agree with the statements therein he will allow the package to be closed, and shall immediately thereafter place thereon the required marks, brands, and stamps or labels.

No trade-mark, label, brand, picture illustration, or other advertising or descriptive device will be permitted to be used upon the tins or other inner package devices of manufacturers' original packages of oleomargarine for export which in anywise conceal the Government brand "oleomargarine," required under section 16 of the act of August 2, 1886, to be branded upon *all* packages of oleomargarine for export.

No such trade-mark, label, brand, picture illustration, or other advertising or descriptive device shall be placed upon the tins or other inner package devices in such juxtaposition to the Government brand "oleomargarine" as to overshadow or confuse that notice as to the nature of the contents of the tins or other inner package devices. Nor shall it be permitted to use upon such tins or other inner package devices any trade-mark, label, brand, picture illustration, or other advertising or descriptive device which in anywise indicates or is calculated to induce the belief that the contents are anything else than oleomargarine.

The Government brand "oleomargarine" must stand conspicuously by itself.

No trade-mark, label, brand, picture illustration, or other advertising or descriptive device prohibited as above for use upon the tins or other inner package devices shall in any other form be inclosed in the manufacturers' original package containing the tins or other inner package devices.

The use of the word "butterine" in branding tins or other inner package devices of oleomargarine is prohibited by law. Section 2 of the act of August 2, 1886, prescribes that "butterine" shall be known and *designated* as "oleomargarine."

The use of any trade-mark, label, brand, picture illustration, or other advertising or descriptive device, representing a cow or dairy farm, or in any other form indicating the contents of the tins or other inner package devices to be a product of the dairy, or calculated to induce the belief that it is such product, is inadmissible.

WITHDRAWALS OF OLEOMARGARINE FOR EXPORTATION.

After the acceptance of the bond by the collector, the principal therein named may make withdrawals from the manufactory for exportation, from time to time, by filing with the collector for each intended withdrawal an application, in duplicate, in the form following:

FORM 220 A.

Application for Withdrawal of Oleomargarine for Exportation.

To _____, Esq.,
Collector, _____ District of _____, 190—.

SIR: Application is hereby made for permission to withdraw from the manufactory of _____, located at _____, the following-described oleomargarine for exportation from the port of _____, the transportation and exportation of such article to be made under a bond executed by me on the _____ day of _____, 19—:

No. of packages.	Marks and numbers.	Name of article as marked on packages.	No. of pounds.	Rate of tax.	Amount of tax.

Upon the receipt of such application the collector will, if the proposed withdrawal is fully covered by the applicant's bond, indorse upon each copy thereof the following order and permit, and will issue, and inclose with one copy thereof, the necessary export stamps for the packages therein described:

FORM 220 B.

_____ DISTRICT OF _____,
_____, 190—.

SIR: You are hereby directed to proceed to the manufactory of _____, and there inspect and weigh the articles described in the annexed application, and, if found to agree therewith, you will mark and brand on each package, and under the word "*oleomargarine*," in letters and figures not less than three-fourths of an inch in length, the following:

[Insert appropriate dates, etc.]

Inspected for Export.

_____, 190—.
_____, D. C.,
_____ District of _____.

You will also securely affix to such packages the export stamps herewith furnished, and deliver such packages to the within-named applicant for exportation. If any discrepancy is found, either in the weight

or description of the articles as specified in the annexed application, instead of refusing to allow the discrepant package to go forward, you will mark it and brand it in accordance with your findings, if so requested by the exporter, in writing, and report the actual facts as found by you to me.

_____,
Collector.

To _____,
Deputy Collector.

In branding their packages exporters will in every instance place the brand on the side of the packages, as required on page 22 of these regulations, and in such a way as to leave sufficient space for the inspection marks here required.

After the inspection for export has been completed the deputy will append to each copy of the application, and under the order for inspection, a report in the following form:

FORM 220 C.

I hereby certify that I have this day inspected the within-named oleomargarine, and find the same to be in all particulars as described, except as to the following [here state exceptions, if any¹], and that I have carefully branded and stamped each package containing the article and delivered the same to _____ for exportation as above directed.

_____,
Deputy Collector.

Upon the return of the application by the deputy, the collector will forward the duplicate thereof, with the discrepancies, if any, noted thereon, to the collector of customs of the port from which the exportation is to be made.

When the withdrawal is made from a manufactory situated at a place other than the port from which the article is to be exported the exporter or party making the withdrawal will file with the collector of internal revenue duplicate bills of lading covering each shipment, one copy of which is to be retained by that collector and one copy to be attached by him to the duplicate application (Form 220 A), to be forwarded to the collector of customs, and at a time which will insure its receipt by that officer in advance of the arrival of the goods.

The bills of lading must clearly state the name and address of the collector of customs to whom the goods are to be delivered, and must not contain any condition or agreement which will impair the obligation of the exporter and transportation company to forward and deliver such goods to the designated collector.

¹In case discrepancies are found to exist, the deputy will, instead of refusing to allow the discrepant package to go forward, mark it and brand it in accordance with his findings, if so requested by the exporter, in writing, and report the actual facts as found by him to the collector, who will make his charge against the bond, not in accordance with the exporter's application, but with the deputy's report.

Immediately on the arrival of the merchandise at the port, the principal to the bond will himself, or through his consignee or duly authorized agent, give notice thereof to the collector of customs, and if, on arrival of the article at the port of entry, it can not be transferred directly and without delay to the exporting vessel, it shall be delivered by the transportation company, under the direction and supervision of the collector of customs, into bonded warehouses or stores provided for the reception of such goods, to be kept in the same manner as provided by law for that class of merchandise, at the risk and expense of the owner, which expense shall be a charge on the goods. In case, however, the article is allowed to remain in such warehouse for a period of fifteen days, the collector of customs will report the fact to the Commissioner of Internal Revenue immediately.

The full quantity consigned to the collector of customs under each withdrawal will be exported as early as practicable.

The collector of customs will in all cases require the withdrawals for exportation to be made from the earliest consignment received into the bonded warehouse—i. e., before withdrawals are made from subsequent consignments.

Upon arrival of the article at the port of export, and at least six hours previous to the shipment thereof, the exporter will file with the collector of customs an export entry in the following form, together with a bill of lading¹ covering the article from the port of export to a foreign port, if such bill of lading has not been previously furnished that officer:

FORM 220 D.

Entry of Oleomargarine for Exportation.

Entry of merchandise withdrawn on the — day of —, 190—, from the manufactory of —, situated at —, in the — collection district of —, and intended for exportation to —, on board the —, whereof — is master, viz:

No. of packages.	Marks and numbers.	Name of article as marked on packages.	No. of pounds.	Rate of tax.	Amount of tax.

And I do solemnly, sincerely, and truly swear that the article described in the foregoing entry is truly intended to be exported as therein stated, and not to be brought back or relanded within the limits of the United States. And I do further swear that the kind

¹ Where the required bill of lading can not be furnished by the exporter at the time of filing his export entry, the same may be subsequently furnished, not later, however, than five days after the clearance of the exporting vessel.

and quantity of said merchandise as stated in said entry are true and correct.

_____, *Exporter*.¹

Subscribed and sworn to before me, this _____ day of _____, 19—.

[SEAL.]

_____,
Collector.

Upon the filing of such entry the collector will compare the same with the application (Form 220 A) previously furnished him, and if found to specify packages designated in said application he will issue the following order for the inspection and lading of the article for exportation:

Order for Examination and Shipment.

No. ____.

PORT OF _____, _____, 19—.

TO THE SURVEYOR: You will direct the proper officers to examine and ascertain the quantity, marks, and proper description of the merchandise described in the annexed entry, to destroy all export stamps found thereon, and to superintend the lading of such merchandise on board the within-named vessel, and make due return to this office.

_____,
Collector.

To this order the surveyor will append his order, as follows:

Inspector _____ will execute the foregoing order.

_____,
Surveyor.

After the inspection of the article has been completed, the inspector will append to the entry his report in the following form, and deliver to the collector:

PORT OF _____, _____, 19—.

I hereby certify that the oleomargarine described in the within entry has been duly inspected and found to agree with the article as described in said entry; that there was branded on each package the word "*oleomargarine*" in plain roman letters of not less than one-half inch square, as required by law; that there were also affixed to said packages the following export stamps, which have been totally destroyed by me, viz: [here state serial No. of each stamp]; and that the said merchandise was in my presence laden on board the _____ for exportation to _____.

_____,
Inspector.

If in executing the foregoing order the inspector is led to suspect that the packages have been broken or tampered with or do not contain the merchandise originally packed it shall be weighed, and a special report of the actual contents made.

¹ In case the exporter is a firm, the entry will be signed by a member of the firm cognizant of the facts, and the words "member of firm of _____" [here insert name of firm] will immediately precede the word "exporter."

If there is any deficiency in the quantity or any discrepancy between the article inspected and the article as described in the entry, the inspector of customs will note the fact in his report; and if he has any evidence of fraud he will at once inform the collector of customs, who will seize the goods and report the case to the United States district attorney.

After the inspection and clearance of the article the collector of customs will issue in *duplicate* his certificate of exportation in the following form, one copy of which will be forwarded to the Commissioner of Internal Revenue and one copy to the collector of internal revenue, from whom the application (Form 220 A) was received.

FORM 220 E.

Certificate of Exportation of Oleomargarine.

Entry No ____.

Certificate No. ____.

OFFICE OF COLLECTOR OF CUSTOMS,
Port of _____, _____, 190—.

I hereby certify that the following-described oleomargarine, withdrawn from the manufactory of _____, in the _____ collection district of _____, on the _____ day of _____, 190—, under a bond executed by _____ on the _____ day of _____, 190—, was received at this port, and was on the _____ day of _____, 190—, entered for export by _____, and that, pursuant to an order issued from this office, the said merchandise was duly inspected and found to agree with said entry; that the said merchandise was duly laden on board the _____, and entered on the outward manifest of said vessel, and that said vessel and cargo were cleared from this port on the _____ day of _____, 190—, for the port of _____; and that the export stamps affixed to said merchandise were utterly destroyed before clearance:

No. of packages.	Marks and numbers.	Name of article as marked on packages.	No. of lbs.	Rate of tax.	Amount of tax.

And I do further certify that the proper bill of lading covering the above-described merchandise has been filed in this office.

Witness my hand and official seal, this _____ day of _____, 19—.

[SEAL.]

Collector of Customs.

To _____.

Upon receipt of the foregoing certificate the collector of internal revenue will credit the bond held by him with the article cleared for export as shown by said certificate; *but in no case should the bond be canceled or delivered up to the signers.*

In case the exporter, from causes beyond his control, is unable to

furnish the proper evidence of the exportation of the oleomargarine within the time named in the bond, he may make an application to the collector of internal revenue for an extension of time.

On the application of the exporter for an extension of time on his bond, under these regulations, the collector of internal revenue taking the bond may forbear to report it for prosecution for a period after its maturity of thirty days, provided the *sureties assent in writing, under seal, and continue responsible*, and that evidence be presented, under oath, showing that *due effort has been made* to satisfy the conditions of the bond. Such application must state specially the cause of failure to produce the evidence of exportation of the oleomargarine, and be verified *under oath*.

If, however, an extension of time greater than thirty days is necessary, the application must be forwarded by the collector of internal revenue to the Commissioner of Internal Revenue for his action. The collector will indorse his opinion thereon as to the propriety of granting the same, and will certify as to whether the bond is good and sufficient, and as to whether any loss will probably occur by granting such extension.

COLLATERAL EVIDENCE OF EXPORTATION.

Landing Certificate.

If, however, the exporter is unable to obtain the detailed report from the inspector of customs and the certificate of the collector of customs, as above specified, he may submit in lieu thereof the landing certificate hereinafter prescribed of the landing of the merchandise abroad. Such proof of landing will be filed with the collector of internal revenue with whom the export bond (Form 220) is filed, who will forward the papers, with his recommendation, to the Commissioner of Internal Revenue, through the collector of customs, which latter officer will append thereto his certificate modified to suit the facts in the case, and such recommendations as he may deem proper.

If the proof of exportation in such cases is satisfactory, the same will be accepted and the collector of internal revenue will be instructed to cancel the charge upon the export bond.

If an extension of time beyond that specified in the bond is needed for procuring such evidence, the same may be obtained upon application to the Commissioner of Internal Revenue through the collector of internal revenue, provided the application is supported by evidence satisfactorily showing the cause of failure to procure the required proof of clearance, and by the written consent of both principal and sureties to the bond to the extension of time asked for. The written consent in such cases must be executed under seal and duly acknowledged, as in case of the execution of a bond. The name of the foreign port must be stated in the application.

Form of Landing Certificate.

No. 1.

PORT OF _____, _____, 190—.

I, _____, of _____, do hereby declare that the goods or merchandise hereinafter described have been landed at this port between the _____ and _____ days of _____, from on board the _____, of _____, whereof _____ is at present master, viz:

Marks, brands, and numbers.	Oleomargarine.		Rate of tax.	Amount of tax.
	Number of packages.	Number of pounds.		

which goods or merchandise, according to the bills of lading for the same, were shipped on board the _____, at the port of _____, in the United States of America, on or about the _____ day of _____, 190—, and consigned to _____, by _____, of _____ aforesaid; and I further certify that the weight of the goods as stated above was correctly ascertained by actual weighing after landing.

_____,
Consignee of Goods.

Sworn and subscribed at the port of _____, before me, this _____ day of _____, 190—.

[SEAL.]

_____.

Certificate of Revenue Officer or Agent.

No. 2.

PORT OF _____, _____, 190—.

I, _____, do hereby certify that the goods or merchandise described in the foregoing declaration, imported into this _____ (country or province) from _____, were landed at this port, duly entered at the custom-house at this port on the _____ day of _____, 190—, and their weight (or number, as the case may be) ascertained to be _____, and their value to be _____, and that the duties imposed by the laws in force in this _____ (country or province) upon said goods have been paid, or secured to be paid, amounting to _____.

In witness whereof I have hereunto set my hand and seal of office this _____ day of _____, 190—.

[SEAL.]

_____,
Collector (or Chief Revenue Officer).

Oath of Master and Mate.

No. 3.

PORT OF _____, _____, 190—.

We, _____, master, and _____, mate, of the _____, lately arrived from the port of _____, in the United States of America, do solemnly swear that the goods or merchandise enumerated and

described in the foregoing certificate, dated the — day of —, 190—, and signed by — —, of the city of —, consignee, were actually delivered at the said port from on board the said vessel within the time specified in the said certificate, and that the weight stated was ascertained by actual weighing at the time of delivery.

— —, *Master*.
— —, —.¹

Sworn at the port of —, before me, this — day of —, 190—.

— —.

Where the articles are exported by steam vessels belonging to or chartered by any steamship line having an agent at the foreign port of landing, collectors of customs may accept, in lieu of the prescribed oath of the master and mate, the sworn statement of such foreign agent. The statement of the agent in such cases must be substantially in the form prescribed for the master and mate of the exporting vessel, and must be sworn to before a United States consul or some foreign revenue officer having a seal.

Consul's or Agent's Certificate.

No. 4.

OFFICE OF —,
Port of —, —, 190—.

I, — —, consul (or agent) of the United States of America at the port of —, do declare that the statements set forth in the foregoing declaration, subscribed by — —, of said port, and dated the — day of —, 190—, are, in my opinion, true and correct, and deserving of full faith and credit; and I further certify that the signature thereto is in the handwriting of said — —.

In testimony whereof I have hereunto subscribed my name and affixed the seal of my office, at —, this — day of —, 190—.

[SEAL.]

— —, *Consul*.

Verification by American or Foreign Merchants where there is no Consul.

No. 5.

We, — — and — —, merchants residing at the port of —, do declare that the statements made in the preceding certificate, signed by — —, of said port, on the — day of —, 190—, are, in our opinion, correct and true, and worthy of full faith and credit. We also declare that there is no consul or agent of the United States of America [or American merchants, as the case may require] now residing at this place.

Given under our hands at the —, aforesaid, this — day of —, 190—.

— —.
— —.

¹ In case of failure to execute the foregoing at the port of delivery of the goods, the same may, upon the return of the vessel at the port of shipment, be subscribed to before the collector of the port.

OTHER PROOFS OF LANDING.

In case of inability on the part of the exporter to produce the evidence of exportation prescribed in these regulations, application for relief may be made to the Commissioner of Internal Revenue through the collector of internal revenue, with whom such evidence is required by regulations to be lodged.

The application in such cases must be under oath, and must recite the facts connected with the alleged exportation, setting forth the date of shipment, the kind, quantity, and value of the merchandise shipped, the name of the consignee, and the name of the vessel by, and the port to which the shipment was made. The applicant will also state in what particular the regulations of the Department respecting the proofs of exportation have not been complied with, and the cause of failure to produce such proofs; that such failure was not occasioned by any lack of diligence on his part or that of his agents, and that he is unable to procure any other or better evidence than that submitted with his application.

The evidence submitted in such cases may embrace original bills of lading and verified original or verified copies of letters from consignees advising the shipper of the arrival or sale of the goods, with such other statements respecting the failure to furnish the prescribed evidence of exportation as may be obtained from the consignees or any other person having knowledge thereof.

When any letters or other documents submitted are in a foreign language they must be accompanied by sworn translations, and when the letters fail to sufficiently identify the goods the original bill or account of sales must be produced.

PROOFS OF LOSS AT SEA.

In case of inability of the exporter to produce the evidence of landing at a foreign port prescribed in these regulations, in consequence of the loss of the goods, or any portion thereof, at sea, the charge upon the export bond may be canceled upon satisfactory proof being furnished to the Commissioner of Internal Revenue that such goods were actually lost at sea, without fault or neglect of the owner or exporter thereof. Application for relief in such cases must be made in writing, under oath or affirmation, by the claimant to the collector of internal revenue with whom the export bond is filed, setting forth (1) the extent of the loss, (2) the location and manner of shipwreck or other casualty, and the time of its occurrence, and (3) that the loss occurred without fault or neglect of the owner or exporter thereof. This affidavit must be accompanied (4) by the affidavits of two or more credible and disinterested persons as to the injury, loss, or destruction aforesaid. Where the goods have been insured (5) the certificate of the insurance company or board of underwriters that the insurance has been paid, and that to the best of their knowledge and belief the

goods were actually destroyed, will be required; and, when obtainable, (6) the oath of the master and mate of the vessel, detailing the manner and extent of the loss and (7) the time and (8) locality of the disaster, will be required.

The collector with whom such proofs are filed will forward the same to the Commissioner of Internal Revenue, giving his views as to the character of the proof and the validity of the claim, together with any facts relative thereto, not set forth in the accompanying papers, which he may deem useful in determining the propriety of allowing the same.

If the proof of landing or loss at sea submitted is satisfactory to the Commissioner of Internal Revenue, the collector will be authorized to cancel the charge upon the exporter's bond.

IN REFERENCE TO THE PRESENTATION OF PROOFS OF LOSS DURING TRANSPORTATION FOR EXPORT.

Where the exporter is unable to furnish the required proofs of exportation to a foreign port, in consequence of the loss of the article by fire or other casualty, he may, in lieu of the certificate of exportation, file with the collector a sworn statement setting forth the extent of the loss, the location, manner, and time of its occurrence.

This statement must be accompanied by the affidavits of two or more credible and disinterested persons as to the loss or destruction aforesaid. When the goods have been insured, the certificate of the insurance agent that the insurance has been paid, and that to the best of his knowledge and belief the goods were actually destroyed, will be required; and, when obtainable, the affidavit of the officers or agent of the transportation company, detailing the manner and extent of the loss, and the time and locality of the disaster, will be required.

The collector will, in forwarding the papers in the case to the Commissioner of Internal Revenue, give his views as to the character of the proofs and validity of the claim made, together with any fact relative thereto not set forth in the accompanying papers which he may deem useful in determining the propriety of allowing the claim. If the proof of loss is satisfactory the Commissioner will authorize the collector to enter credit for such loss on the applicant's bond.

EXPORTATIONS OF OLEOMARGARINE FROM A PORT OF ENTRY THROUGH ANOTHER PORT.

If the exporter desires to export the article named to the Dominion of Canada or any other of the British North American provinces from a port of entry not on the frontier through a frontier port, he will specify in his application (Form 220 A) and entry (Form 220 D) by what conveyance and through what port the merchandise is to be shipped, and in case of shipment *by bonded car* no frontier certificate will be required.

If in any instance the merchandise to be exported to ports in British North America aforesaid is situated in an interior city or town, the exporter may file his entry (Form 220 D) at the frontier port through which the merchandise is to pass, or at any convenient port of entry; but the inspection must be duly made at the port where said entry is filed.

If, however, an exportation is to be made from a port of entry to any port whatever, through a port not on the frontier, or through a frontier port *where the article is not shipped in a bonded car*, the collector with whom the entry (Form 220 D) is filed will, after the merchandise has been inspected, transmit a copy of said entry, without delay, to the collector of customs of the port at which the merchandise is to be transshipped, together with a bill of lading to be provided by the exporter for that purpose, unless a through bill of lading has been filed—i. e., for the delivery of the article at a foreign port—in which case the collector will note the fact on the exporter's entry.

Upon the arrival of the oleomargarine, the collector at the port of transshipment will then direct the proper officer to carefully examine the same and ascertain whether the same agrees in all respects with the entry, and superintend the lading thereof on board the vessel or other conveyance by which the same is to be exported.

If the merchandise inspected is found to agree with that specified in the entry, the collector will, after the same has been duly laden as aforesaid, indorse upon the entry the following:

Certificate of Transshipment and Exportation.

PORT OF ———, ———, 190—.

I hereby certify that the within-described merchandise was brought into this port by ———, on board the ———, on the ——— day of ———, 190—, and that the same has been carefully inspected and found to be without change or diminution; that said merchandise was duly laden on board the ——— for exportation to ———; that said merchandise was duly entered on the outward manifest of said vessel and [unless a through bill of lading has been filed with the collector from whom the export entry was received] a proper bill of lading has been filed in this office; and that said vessel and cargo were cleared from this port on the ——— day of ———, 19—, for the port of ———.

[SEAL.]

Collector of Customs.

To _____,
Collector of Customs, Port of _____.

Any deviation from the description given in the entry should be reported by the inspector and noted by the collector in the foregoing certificate.

After having made the proper indorsement, the collector will return the entry to the collector at the port from which the merchandise was originally shipped; whereupon the collector of the port will, if the other papers in the case be satisfactory, issue his certificate (Form 220

E), changed to meet the requirements of the case. Unless a through bill of lading is furnished to the collector last named, a proper bill of lading, covering the articles from the port of transshipment to the port of destination, must be filed with the collector, who will note in his certificate of transshipment and exportation that such proper bill of lading has been filed in his office.

THE EXECUTION OF PAPERS BY AGENTS OR ATTORNEYS.

The export entry (Form 220 D) prescribed in the foregoing regulations must be executed and dated at the port from which the merchandise described therein is exported.

Should the exporter reside in a place other than the one from which said merchandise is exported, the necessary entry may be executed and signed by an agent, clerk, or attorney at the port of export, provided they have personal knowledge of the facts mentioned therein, on filing with the collector of customs a satisfactory power of attorney, duly executed by said exporter, authorizing said agent, clerk, or attorney to transact such business in his behalf. When such power of attorney has once been filed, the same will be deemed sufficient to authorize the execution of said entry at any time thereafter until the same shall be revoked, or until said collectors shall have reason to believe that the exporter has ceased to employ said agent, clerk, or attorney in such capacity. Whenever an entry shall be made on behalf of an exporter by his duly authorized agent, clerk, or attorney, or for any business firm by a partner thereof, the fact of such authority or partnership must be clearly stated therein.

No clerk may sign for his employer on the bond (Form 220), and no agent or attorney may sign for his principal *unless duly authorized to sign such bond by special power of attorney.*

PROCEEDINGS UPON BONDS FOR ANY BREACH.

Provision is made in these regulations for extending the time on bonds in case the sureties give written consent, and their sufficiency is continued, and it is shown that due diligence has been exercised by the principals in attempting to comply with the conditions thereof. In cases, however, where the time named in the bond expires and its conditions are not complied with and the time is not extended, or in case of extension when the additional time granted by the collector of internal revenue, or in case of additional extension by the Commissioner, the time named in such final extension expires without compliance on the part of the principal of the bond with the conditions thereof, the collector of internal revenue will deliver the bond into the hands of the United States district attorney for suit, taking the attorney's receipt therefor. And the collector of internal revenue will report to the Commissioner the dates of United States district attorneys' receipts delivered to him.

CHEMISTS AND MICROSCOPISTS.

Section 14 of the act of August 2, 1886, provides—

“That there shall be in the office of the Commissioner of Internal Revenue an analytical chemist and microscopist, who shall each be appointed by the Secretary of the Treasury, and shall each receive a salary of two thousand five hundred dollars per annum; and the Commissioner of Internal Revenue may, whenever in his judgment the necessities of the service so require, employ chemists and microscopists, to be paid such compensation as he may deem proper, not exceeding in the aggregate any appropriation made for that purpose. And such Commissioner is authorized to decide what substances, extracts, mixtures, or compounds which may be submitted for his inspection in contested cases are to be taxed under this act; and his decision in matters of taxation under this act shall be final. The Commissioner may also decide whether any substance made in imitation or semblance of butter, and intended for human consumption, contains ingredients deleterious to the public health; but in case of doubt or contest his decisions in this class of cases may be appealed from to a board hereby constituted for the purpose, and composed of the Surgeon-General of the Army, the Surgeon-General of the Navy, and the Commissioner¹ of Agriculture; and the decisions of this board shall be final in the premises.”

SAMPLES FOR EXAMINATION.

In case any substance declared by any collector of internal revenue to be oleomargarine and liable to tax is claimed by the owner to be butter or some other substance not liable to tax, the collector will submit a sample of the article for the decision of the Commissioner of Internal Revenue, as provided in the above-quoted section 14.

Each of such samples must weigh not less than *one pound*, and must be taken in presence of an internal-revenue officer. The sample will be put up in a wide-mouthed tin, porcelain, or glass vessel. Tin buckets, with labels (Form 311), suitable for transporting such samples, are furnished to collectors upon application to the Commissioner of Internal Revenue. The vessel containing the sample must not be soldered, nor subjected to a high temperature. It must be marked and numbered with marks and numbers to correspond with those on the package from which the sample is taken, and in case the package is *without proper* identifying marks, they will be placed upon the package by the collector. The sample, properly *sealed* and marked, will be forwarded by the collector to the Commissioner of Internal Revenue, under whose directions it will be subjected to such physical and chemical tests as may be necessary to determine its character.

Each sample package must be accompanied by a letter of transmittal stating that it is forwarded for the decision of the Commissioner of Internal Revenue under section 14 of the act of August 2, 1886.

¹ Now Secretary.

The decision of the Commissioner, when rendered, will be forwarded to the collector, and if it is favorable to the claimant, the collector will release the goods. If the Commissioner's decision sustains the view of the collector, the proceedings will be in accordance with so much of the requirements of section 15 of the act as are applicable.

UNSTAMPED OLEOMARGARINE AND OLEOMARGARINE CONTAINING
DELETERIOUS SUBSTANCES TO BE FORFEITED.

Section 15 provides as follows:

“That all packages of oleomargarine subject to tax under this act that shall be found without stamps or marks as herein provided and all oleomargarine intended for human consumption which contains ingredients adjudged, as hereinbefore provided, to be deleterious to the public health, shall be forfeited to the United States. Any person who shall willfully remove or deface the stamps, marks, or brands on package containing oleomargarine taxed as provided herein shall be guilty of a misdemeanor, and shall be punished by a fine of not less than one hundred dollars nor more than two thousand dollars, and by imprisonment for not less than thirty days nor more than six months.”

In case the substance is detained by the collector as containing ingredients deleterious to the public health, samples may be forwarded to the Commissioner, as in cases involving the question of tax, and may be disposed of in the same manner. If, however, the claimant is unwilling to accept the decision of the Commissioner, he may, in this class of cases, appeal under the law to a board composed of the Surgeon-General of the Army, the Surgeon-General of the Navy, and the Commissioner [now Secretary] of Agriculture, whose decision in the matter is declared by the law to be final.

Notice of appeals must be given to the collector at once upon the receipt of the answer of the Commissioner of Internal Revenue.

The collector will immediately forward the claimant's appeal to the Commissioner, who will, without delay, transmit the appeal to the board of appeals, accompanied by the samples and all papers in the case.

The decision of the board of appeals will be transmitted to the claimant through the Commissioner and collector of internal revenue.

Oleomargarine forfeited to the United States by reason of the non-payment of the tax may be sold by the officer having charge of the same, subject to the payment of the tax. And such officer will purchase, out of the proceeds of the sale, the proper tax-paid stamps, which he shall affix to the packages and cancel. And the regulations governing the stamping, branding, and marking of forfeited distilled spirits sold by United States marshals, so far as applicable, are hereby made to apply to the sale of oleomargarine forfeited to the United States.

All oleomargarine forfeited to the United States as being deleterious to the public health may also be sold, but each package so sold, before delivery to the purchaser, must be marked or branded, in letters not less than 1 inch square, with the words—

“Condemned as unfit for human consumption and deleterious to the public health.”

THE USE OF THE MICROSCOPE AS A TEST FOR OLEOMARGARINE.

The difference between fresh, genuine, unmelted butter and oleomargarine, which is always made in whole or in part of melted fats, can be readily and clearly detected by a microscope with the aid of polarized light, and with or without the use of a selenite plate to cover the field of vision. It is true that genuine butter is sometimes accidentally melted, so that while the presence of melted fats is not a sure indication that the article is oleomargarine, their entire absence is a very strong indication that it is butter.

The microscope has been used since 1873, when the difference in appearance under this instrument with the aid of polarized light between melted and unmelted fats was discovered as a negative test. A microscope has been furnished to collectors of internal revenue, suitable for use by local officers in the markets or stores in which butter and oleomargarine are sold, which readily and clearly indicates the difference between the fresh, genuine, unmelted butter and mixtures containing melted fat.

DESCRIPTION OF MICROSCOPE AND ATTACHMENTS.

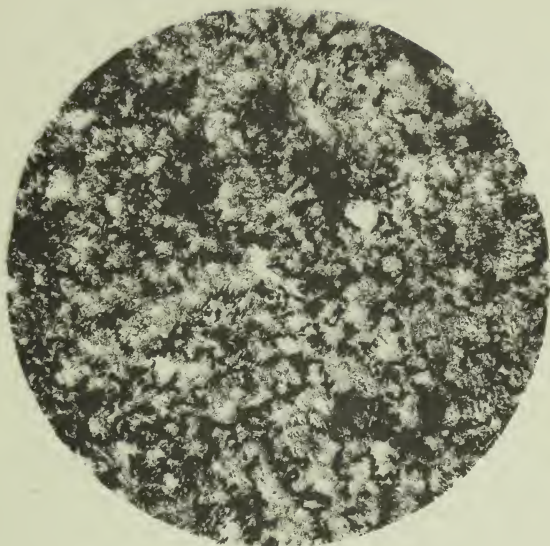
The instrument consists, first, of a large, bell-shaped base, having at its mouth a silvered mirror acted upon by a spring, and at its apex a tube fitted with a tightening ring; second, a drawtube, working in the tube which forms the upper part of the base, containing at the outer end a movable eyepiece, and fitted at the other end, which is to be inserted into the upper part of the base, with a polarizing attachment called a Nicol's prism or analyzer, and a half-inch object glass, or objective, the Nicol's prism to be first screwed into the end of the drawtube, and then the objective to be screwed into the Nicol's prism; third, another Nicol's prism, called the polarizer, fitted with a condensing lens to be attached to the mouth of the base by the means provided for the purpose.

This instrument, when furnished, will be put up in a small wooden box containing a number of glass slides and covers, on which the object to be viewed is to be placed.

METHOD OF USING THE MICROSCOPE AND ATTACHMENTS.

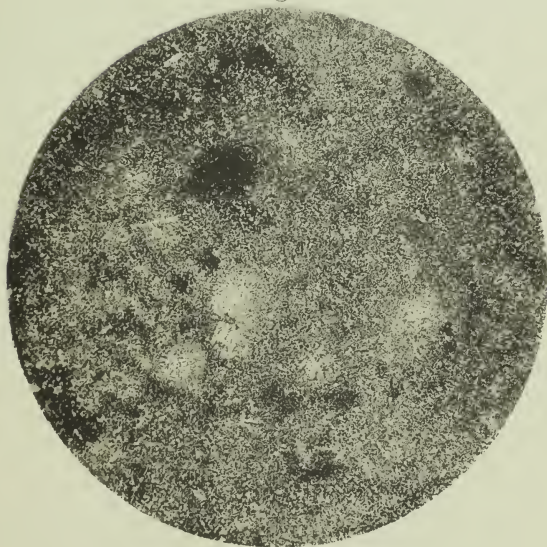
The instrument will be used in the following manner: With the point of a penknife place a small portion of the fresh sample taken

Fig 1



OLEOMARGARINE $\times 160$

Fig 2



BUTTERINE $\times 160$

from the inside of the mass on the middle of one of the glass slides; place a cover on it; press the cover down on the slide with the blunt end of a pencil, care being taken to make the object sufficiently translucent, and insert the slide, with cover toward objective, in the slot prepared for it in the mouth of the instrument; press each end of the glass slide down gently; and turn it slightly, so that the corners will be held in place by the spring pressing against the back of the mirror, care being taken to get the object in front of the objective; pull out the drawtube about three-fourths of an inch, and look through the instrument held toward the direct light from a window, or a gas or lamp flame placed within a short distance; slide the tube slowly in or out until the object is sharply defined; then attach the polarizer to the base, and, holding the instrument toward the light, rotate the lens (which is provided with a milled head for the purpose) until the field of view is dark. If melted fats are present the field will be illuminated with bright, white particles; if not, it will be uniform—i. e., of the same intensity of light throughout.

The accompanying photolithographs, from original negatives taken in the chemical division of the Department of Agriculture, show the characteristic appearance of a fresh sample of “oleomargarine” made principally from oleo oil, and of “butterine” (also “oleomargarine” under the internal-revenue law) made principally from neutral lard, when viewed under the microscope and polarized light.

Where nothing is seen but the characteristic globules, the granular masses of curd, and the cubical crystals of salt, even when the polarizer is turned so that the field is lightest, the sample can at once be passed as genuine butter.

Melted butter fat will present much the same appearance as oleomargarine under the microscope. Such butter is not often met with, however, being usually the kind that has undergone some process of renovation or reworking. Its true character will frequently be revealed by rancidity or by quickly becoming rancid. Oleomargarine has usually but very slight tendency to develop the strong smell of decomposed butter.

When there is any doubt whatever in regard to the results of the microscopic examination of a suspected sample, it should be submitted to the Commissioner of Internal Revenue for a thorough chemical analysis. This should also be done where legal proceedings are likely to be based upon the character of the sample, as a chemical analysis will afford more conclusive proof than the microscopic test.

DEFINITION OF POLARIZATION AND EXPLANATION OF THE PECULIAR APPEARANCE OF MELTED FATS UNDER POLARIZED LIGHT.

The hard fats, palmatin and stearine, exist in a state of solution in the globules of fresh samples of butter and in the fats of living animals.

Upon being melted and cooled these hard fats separate out in the

form of slender (acicular) crystals which polarize light, owing to their being double refracting bodies.

Polarization is a physical condition produced in rays of light by reflection or refraction, in which they exhibit unequal intensities when subsequently reflected in different planes at a constant incidence.

The different processes, reflection, ordinary refraction, double refraction, and scattering by small particles, by means of which a ray of light may be polarized, and the definite mathematical laws by which the different phases are explained, are evidently foreign to these regulations.

The process of double refraction is made use of in the construction and employment of the Nicol's prisms, which are composed of a rhomb of Iceland spar (carbonate of calcium) cut and cemented together.

Every instrument for investigating the properties of polarized light consists essentially of two parts, one for polarizing the light, the other for ascertaining or exhibiting the fact of light having undergone polarization. The former part is called the polarizer, the latter the analyzer. Any instrument that can be used as a polarizer can also be used as an analyzer. When the principal optical sections of the two Nicol's prisms, i. e., when the shorter diagonals of the two prisms coincide in direction, the field of the microscope appears clear and well illuminated. When, however, they are set at right angles to one another, there should be a total extinction of light, the field appearing perfectly dark. In intermediate positions the field becomes more or less obscure, the obscurity increasing as the principal sections of the Nicol's prisms approximate to an angle of 90° .

Double refraction takes place in all transparent media, except those bodies specified as single refractives, viz, homogeneous bodies uniform in density, noncrystalline, or isometrically crystallized. It occurs also in all transparent media when in a state of tension or strain, temporary or permanent, as in glass stretched, compressed, bent, or unequally heated, in gum, resin, etc.

Supposing the Nicol's to be crossed and the field to be quite dark, any single refracting object, a slip of glass, or a thin slice of rock salt, for instance, if placed on the stage of the microscope, will produce no change, the field still remaining dark. But if a double refracting object, such as a thin section of most crystals, except those of the isometric system, be introduced, the field appears brightly illuminated, and colored if the film is sufficiently thick.

INSTRUCTIONS TO COLLECTORS CONCERNING THE RECEIPT AND CARE OF MICROSCOPES AND THE METHOD OF ASCERTAINING TAX LIABILITY WITH THE AID OF THE INSTRUMENTS.

Every collector of internal revenue, in executing the requirements of section 3172, Revised Statutes, directing him to "cause his deputies to proceed through every part of his district and inquire after and

concerning all persons therein who are liable to pay a special tax, and all persons owning or having the care and management of any objects liable to pay any tax, and to make a list of such persons and enumerate said objects," will, if possible, whenever the inquiry is for the purpose of finding oleomargarine on which the tax has not been paid, furnish each such deputy with one of the microscopes described in these regulations.

Upon receiving the microscope the deputy will receipt therefor in duplicate on Form 227, one copy to be delivered to the collector and one copy to be mailed by the deputy to the Commissioner of Internal Revenue. The form of receipt is as follows:

FORM 227.

UNITED STATES INTERNAL REVENUE.

Receipt for Internal-Revenue Microscope and Accessories.

[To be executed in duplicate; the "original" to be delivered to the collector and the "duplicate" mailed to the Commissioner of Internal Revenue.]

[ORIGINAL.]

Received from ————, collector of internal revenue of the ———— district of ————, one Internal-Revenue Microscope No. ————, with polarizing attachments; also ———— glass slides, ———— glass covers, and ———— gummed labels, all in good order and securely packed in a suitable case; also ———— Memorandum Book No. 63, and ———— blank reports, Form 228.

—————, *Deputy Collector.*

Dated at ————, this ———— day of ————, 190—.

As only a limited number of microscopes has been obtained, it is necessary to have these in constant active use, in order to have anything like a thorough canvass of the districts made with them within a reasonably short space of time.

The collector, therefore, who delivers one of these instruments to a deputy collector will direct the deputy, as soon as he is familiar with the workings of the instrument, to proceed immediately through his division, and to direct his inquiries and examinations exclusively to products exposed for sale as or for butter with a view to ascertain whether they are really oleomargarine, and hence to determine the liability of the persons offering the same for sale to the payment of special tax as dealers.

He should examine all unstamped goods in the hands of dealers in oleomargarine and in the hands of other dealers to whom oleomargarine has been consigned. He will also examine the stocks of all butter dealers who consent to such examination. If anyone objects, he will immediately report the fact to the collector in writing, and then at once proceed to the next place to be examined.

It is believed that most dealers in butter who do not suspect that any oleomargarine will be found in their stores, etc., will readily consent to the slight inconvenience which this examination involves, especially as it will furnish them with information relative to the quality of their goods which they may be otherwise unable to obtain.

As the deputy collector proceeds with the examination he will note results in a memorandum book (Book No. 63) as to each package, giving such particulars as will enable him to prepare his report on Form 228. The memorandum book is bound in leather, and is of a size convenient to be carried in one's coat pocket. It contains 100 pages, each of which is arranged in the following form:

Memorandum of each package examined this ____ day of ____, 190—, with Int. Rev. Microscope No. ____, on premises of ____, No. ____ street, town, or city of ____, county of ____ and State of ____:

No. of line.	1. Kind of package.	2. Name of article stated on package or by owner.	3. Name of article shown by the examination.	4. Class of oleo.	5. Condition of article.	6. Remarks.	No. of line.
1							1
2							2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25

Upon completing his examination, or at the close of each day, if more than one day is required, the deputy collector will make up separate reports on Form 228, in duplicate, of examinations made at each place of business, etc., one copy to be furnished to the collector and one to the Commissioner of Internal Revenue.

Form 228 mentioned is a single sheet, ruled and printed to agree with the form observed in the memorandum book above described.

In case the deputy collector finds any unstamped article which appears from his examination to be oleomargarine, and the holder asserts that it is not oleomargarine, the officer will detain it, and immediately submit the matter to the collector, with sample, who will also examine it. If the owner will not consent to detention for a period

of time sufficient for submission of the matter to the collector, then the deputy will seize. If the collector agrees with the deputy in the matter and the holder persists in his original assertion, he may appeal to the Commissioner in the manner provided by law. (See p. 60.)

Upon furnishing the collector with his report on Form 228 the deputy collector will also return the instrument, with accompanying slides and covers, first, however, carefully cleaning with soap and warm water all slides containing samples of pure butter.

The collector will, upon the return of the instrument, immediately reissue it to a deputy in charge of another division in his district, and, unless otherwise directed by the Commissioner of Internal Revenue, will pass it from one deputy to another until his district is thoroughly canvassed. He will then promptly notify the Commissioner of Internal Revenue of the fact, in order that, if needed, the instrument may, without delay, be forwarded to the collector of another district.

IMPORTED OLEOMARGARINE.

Section 10 of the act of August 2, 1886, provides as follows:

“That all oleomargarine imported from foreign countries shall, in addition to any import duty imposed on the same, pay an internal-revenue tax of fifteen cents per pound, such tax to be represented by coupon stamps as in the case of oleomargarine manufactured in the United States. The stamps shall be affixed and canceled by the owner or importer of the oleomargarine while it is in the custody of the proper custom-house officers; and the oleomargarine shall not pass out of the custody of said officers until the stamps have been so affixed and canceled, but shall be put up in wooden packages, each containing not less than ten pounds, as prescribed in this act for oleomargarine manufactured in the United States, before the stamps are affixed; and the owner or importer of such oleomargarine shall be liable to all the penal provisions of this act prescribed for manufacturers of oleomargarine manufactured in the United States. Whenever it is necessary to take any oleomargarine so imported to any place other than the public stores of the United States for the purpose of affixing and canceling such stamps, the collector of customs of the port where such oleomargarine is entered shall designate a bonded warehouse to which it shall be taken under the control of such customs officer as such collector may direct; and every officer of customs who permits any such oleomargarine to pass out of his custody or control without compliance by the owner or importer thereof with the provisions of this section relating thereto, shall be guilty of a misdemeanor, and shall be fined not less than one thousand dollars nor more than five thousand dollars, and imprisoned not less than six months nor more than three years. Every person who sells or offers for sale any imported oleomargarine, or oleomargarine purporting or claimed to have been imported, not put up in packages and stamped as provided by this act, shall be fined not less than five hundred dollars nor more than five thousand dollars, and be imprisoned not less than six months nor more than two years.”

IMPORTED OLEOMARGARINE NOT TO BE STAMPED UNLESS WITHDRAWN FOR CONSUMPTION.

Oleomargarine imported from foreign countries is not required to have the internal-revenue stamps affixed thereto and canceled unless it is withdrawn from the custom-house for consumption or sale in the United States.

Section 10 of the act of August 2, 1886, provides that all oleomargarine imported from foreign countries shall have the proper stamps affixed and canceled by the owner or importer thereof while it is in the custody of the proper custom-house officers. Stamps for this purpose will be sold to the owners or consignees of such imported

oleomargarine by the collector of internal revenue for the district in which the custom-house is situated, upon the requisition of the proper custom-house officer having the custody of such oleomargarine. The requisition will be substantially in the following form:

OFFICE OF THE COLLECTOR OF CUSTOMS,
_____, _____, 190—.

SIR: This is to certify that the following-described oleomargarine, viz:

Marks.	No. of packages.	Import vessel.	Date of importation.	Pounds.

is now in my custody, and you are therefore requested to sell and deliver to Mr. _____, the owner or consignee thereof, the proper kind and quantity of stamps to stamp the same, as required by law.

(Signed) _____, *Collector.*

(Collector's seal.)

To _____, Esq.,
Collector, — District of —.

IMPORTED GOODS WITHDRAWN FOR CONSUMPTION.

All oleomargarine imported from foreign countries, in addition to import duties, is made liable to an internal-revenue tax of 15 cents per. pound, and to have the appropriate stamps affixed thereto and canceled.

In case the tax is not paid by stamp at the time and in the manner provided by law, its collection may be enforced by assessment.

Imported oleomargarine is not required to have affixed to each box or other package a label and caution notice as provided in the case of domestic manufactured oleomargarine.

COLLECTOR'S RECORD AND MONTHLY AND QUARTERLY RETURNS.

BOOK 62.

Each collector will keep a record on book No. 62 of all oleomargarine produced in his district, the quantity removed from manufacturing tax paid, or for export, and of the quantity lost or destroyed in factory, likewise of the stock remaining on hand at the close of the month in the case of each factory.

The number of pounds to be entered in this book should be the number of taxable pounds. For instance, a package containing 10½ pounds actual weight should be entered as containing 11 pounds, because under the law imposing the tax the half pound is regarded as a whole pound.

FORM 221.

Collector's Monthly Oleomargarine Account.

Each collector will render to the Commissioner of Internal Revenue a monthly return on this form showing the quantity of oleomargarine produced, withdrawn tax paid, for export, and the quantity lost or destroyed, likewise the quantity exported and accounted for, and the stock remaining on hand at the close of the month in the case of each factory.

The report must be dated and signed by the collector.

FORM 254.

Collector's Monthly Report of Persons Who Pay Special Tax as Dealers in Oleomargarine.

On the first business day of each month each collector will cause to be prepared, *with great care*, a return on Form 254, showing the names of all persons, firms, corporations, etc., who paid special tax in his district during the preceding month as dealers in oleomargarine.

The report will show, in addition to the names of such special-tax payers, the place of business, class of dealer (wholesale or retail), and the period for which the tax was paid in each case

The report must be dated and signed by the collector.

FORM 246.

Collector's Quarterly Return Relative to Internal-Revenue Microscopes.

A quarterly report must be made by each collector of internal revenue of the number of examinations made with the internal-revenue microscope in his district, by himself or his deputies, of articles resembling butter and calculated or intended to be sold as or for butter. The report must also show the condition of the microscopes and accessories in the collector's district.

OFFICE FORM 263.

This is a form for use in the office of the Commissioner of Internal Revenue, and will not be employed by collectors excepting in the manner hereinafter pointed out.

Upon this form an abstract is prepared of all sales to persons who do not appear from the records of the office of the Commissioner of Internal Revenue to have paid special tax as dealers for the special-tax year in which the sale was made, and whose liability thereto it is desired to ascertain. The abstracts thus prepared are sent to collectors, who will cause sufficient investigation to be made to determine the liability of the persons named to the special tax. These investigations must be made and the results thereof reported to the Commis-

sioner with as little delay as possible. The reports should be made upon the abstract sheets, on the lines provided for collectors' use, and must be specific with respect to each name, thus:

Note in red ink on the line with each name the word "hotel," "hospital," "restaurant," or "for own consumption," etc., as the case may be.

If any person named in the abstracts is found to be a dealer in oleo-margarine, enter on the line with the name the letters "W. D." for wholesale dealer, and "R. D." for retail dealer, as the case may be, and on the back of the form make a statement of the steps taken to secure payment of the tax and penalties, and give the date when the tax became due.

If after thoroughly investigating a case the collector is doubtful as to the liability of the person to special tax, he will at once fully report the facts to the Commissioner of Internal Revenue.

BLANK FORMS.

Collectors will be furnished with the following blank forms upon proper requisition therefor:

Form No.

- 33.....Sureties' affidavit to accompany oleomargarine manufacturer's and exporter's bonds.
- 213.....Oleomargarine manufacturer's notice.
- 214.....Oleomargarine manufacturer's bond.
- 215.....Oleomargarine manufacturer's inventory.
- 216.....Oleomargarine manufacturer's monthly return.
- 217.....Oleomargarine wholesale dealer's monthly return.
- 218.....Oleomargarine manufacturer's order for stamps.
- 220.....Oleomargarine exporter's bond.
- 221.....Collector's monthly oleomargarine account.
- 222.....Collector's monthly report of oleomargarine stamps received, sold, and on hand.
- 223.....Collector's requisition for stamps for oleomargarine.
- 227.....Deputy collector's receipt for microscope and accessories.
- 228.....Deputy collector's report of examinations made with microscope.
- 246.....Collector's quarterly return relative to microscopes.
- 254.....Collector's monthly report of persons who pay special tax as dealers in oleomargarine.
- 311.....Label for 1-pound sample of product suspected of being oleomargarine.

BLANK BOOKS.

Collectors will be furnished with the following blank books upon proper requisition therefor:

Book No.

- 62.....Collector's oleomargarine record.
- 63.....Deputy collector's memorandum of examinations with microscope.

G. W. WILSON,

Commissioner of Internal Revenue.

Approved:

L. J. GAGE,

Secretary of the Treasury.

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